

and benefits, she is graduating enormous numbers of physicists and chemists. This poses a real challenge for business, for Government and for our educational system. In speaking of Fermi's feat, the great nuclear scientist, Dr. Willard F. Libby, said: "We could afford to double our present educational expenditures if it would give us just one more Fermi per generation." Not only the colleges and universities, but the American people are challenged to renew and to redouble their dedication to higher education. Such education, to equip us for life in the atomic age, must not be limited to the development of scientific talents necessary to keep us in the forefront of world wide technological developments. Of equal, if not of greater, importance is the necessity of learning to live in the world which our technicians are creating. This calls for the development of our talents on all fronts, the arts and the humanities as well as the sciences. The one sided, if not warped, trend in Russian education may be the beginning of an over specialization which may eventually lead to her breakdown. If we can sustain and broaden the base of our culture and still set the pace

in technological fields we may uncover the secret to survival in the atomic age.

Our competition from Russia in this dangerous age calls for high skills. It calls also for courage. It calls especially for moral courage. This Nation was born under a resolution that demanded liberty or death. Survival is not the end of existence.

To be worthy to survive as a Nation we must be willing to risk our survival if need be for the freedom and independence of our people.

We cannot win the cold war by retreating. We cannot win it by appeasement. When principles are at stake we must be willing to stand our ground at whatever cost. There is no future in submission. If we cannot survive with honor, we cannot survive at all.

The true spirit of man, without reference to his ideologies, is committed to building the tower. It is man's wandering from his higher purpose which leads him to the abyss.

The hydrogen bomb and the intercontinental ballistic missile have posed tremendous problems in the realms of science, statecraft, and war. They have not, however, altered the basic duties or destiny of man.

They have not changed his relationship with his Creator. With all the astounding achievements made or foreseen or foreseeable in the age of nuclear power and outer space, man's spiritual ideals remain transcendent. The teachings of Christianity still reach infinitely beyond the realms of outer space.

We have come a long way since the days of Moses. We have replaced slingshots with rockets, pushcarts with jetplanes, rowboats with atomic ships, but in all this we have found no substitute for the Ten Commandments.

We have changed the foundations of physical theory; we have challenged the axioms of geometry and disproved them, but the Sermon on the Mount remains as immutable as the "Rock of Ages." The changes in science have served to emphasize, not to undermine it. The Golden Rule was important to the individual in the bow and arrow age; in the age of atomic weapons it is indispensable to the survival of man.

As graduates of a great Christian university you have a rendezvous with destiny. With God's help, you will not fail that rendezvous.

## SENATE

TUESDAY, JUNE 5, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, out of our partial and fragmentary conceptions, knowing that we see as through a glass darkly, we turn to Thee, sure of no light but Thine, no refuge but in Thee.

We acknowledge our share in the world's sin, our love of ease, our pride of race and place and possession, our ruthless competition, our failure to take account of the needs of others, at home and half a world away, and to realize that in very truth humanity is one.

This white altar reared at the gates of the morning speaks to us ever of our final reliance on the supreme spiritual forces—faith, hope, and love—which alone abide, and on which our salvation in the end depends.

Harken to the prayers of our hearts when, in our highest moments, we forget ourselves and think of Thee.

In the spirit of Christ we lift our prayer. Amen.

### THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 1, 1962, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### INTERNATIONAL WHEAT AGREEMENT, 1962—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, the President of the United States today

transmitted to the Senate the International Wheat Agreement, 1962, Executive D, 87th Congress, 2d session. As in executive session, I move that the injunction of secrecy be removed from the agreement, that the agreement, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President is as follows:

#### *To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the International Wheat Agreement, 1962, in the English, French, Spanish, and Russian languages, formulated at the United Nations Wheat Conference which concluded at Geneva on March 10, 1962. The agreement was open for signature in Washington from April 19 through May 15, 1962. It was signed in behalf of the Government of the United States of America and the governments of 34 other countries.

I transmit also, for the information of the Senate, the report of the Secretary of State regarding the Agreement. Attention is invited particularly to the last paragraph of that report. It is my hope that the Senate will find it possible to give early consideration to the Agreement so that, if the Agreement be approved, ratification by the United States can be effected and an instrument of acceptance deposited by July 16.

JOHN F. KENNEDY.

THE WHITE HOUSE, June 5, 1962.

### EXECUTIVE MESSAGES REFERRED

As in executive session, The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 88) authorizing the issuance of a gold medal to Bob Hope.

### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H.R. 1347. An act for the relief of Adolf M. Baller;

H.R. 5652. An act for the relief of Kevork Torolian; and

H.J. Res. 638. Joint resolution for the relief of certain aliens who are serving in the U.S. Armed Forces.

### LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

### COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. SPARKMAN, and by unanimous consent, the Finance Committee was authorized to meet during the session of the Senate today.

### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

#### REPORT ON CONTRACTS FOR EXPERIMENTAL OR RESEARCH WORK

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting, pursuant to law, a report on contracts negotiated by that Administration for experimental or research

work, for the 6-month period ended December 31, 1961 (with an accompanying report); to the Committee on Aeronautical and Space Sciences.

#### AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Universal Military Training and Service Act (with an accompanying paper); to the Committee on Armed Services.

#### REPORT ON NUMBER OF OFFICERS ON DUTY WITH HEADQUARTERS, DEPARTMENT OF THE ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on the number of officers on duty with Headquarters, Department of the Army and the Army General Staff, as of March 31, 1962 (with an accompanying report); to the Committee on Armed Services.

#### REPORT ON CONSTRUCTION OF PROJECTS AT GENERAL MITCHELL FIELD, MILWAUKEE, WIS.

A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), reporting, pursuant to law, on the construction of certain projects at General Mitchell Field, Milwaukee, Wis.; to the Committee on Armed Services.

#### REPORT ON ACTIVITIES AND TRANSACTIONS UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration on the activities and transactions under the Merchant Ship Sales Act of 1946, for the 3-month period ended March 31, 1962 (with an accompanying report); to the Committee on Commerce.

#### AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO SPECIAL TEMPORARY AUTHORIZATIONS

A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend paragraph (2)(G) of subsection 309(c) of the Communications Act of 1934, as amended, by granting the Federal Communications Commission additional authority to grant special temporary authorizations for 60 days for certain nonbroadcast operations (with accompanying papers); to the Committee on Commerce.

#### REPORT OF LEGAL AID AGENCY FOR DISTRICT OF COLUMBIA

A letter from the chairman, Legal Aid Agency for the District of Columbia, Washington, D.C., transmitting, pursuant to law, a report of that agency, for the period June 1, 1961, to May 31, 1962 (with an accompanying report); to the Committee on the District of Columbia.

#### REPORT ON REVIEW OF SUPPLY MANAGEMENT OF SELECTED WEAPON SYSTEM COMPONENTS AND SPARE PARTS IN DEPARTMENT OF THE NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a confidential report on the review of supply management of selected weapon system components and spare parts in the Department of the Navy (with an accompanying report); to the Committee on Government Operations.

#### REPORT ON INTEREST CHARGES PAID FOR CONSTRUCTION OF A WATER SUPPLY LINE AT FORT BELVOIR, VA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on interest charges paid for the construction of a water supply line at Fort Belvoir, Va., Department of the Army, dated May 1962 (with an accompanying report); to the Committee on Government Operations.

#### CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land reclassification has been made of the lands of the San Luis unit, Central Valley project, California (with an accompanying paper); to the Committee on Interior and Insular Affairs.

#### AMENDMENT OF SECTION 1391, TITLE 28, UNITED STATES CODE, RELATING TO VENUE

A letter from the Director, Administrative Office of the United States Courts, Washington, D.C., transmitting a draft of proposed legislation to amend section 1391 of title 28 of the United States Code relating to venue (with an accompanying paper); to the Committee on the Judiciary.

#### ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

#### REPEAL OF PROVISIONS OF LAW CODIFIED IN 5 U.S.C. 39

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to repeal the provisions of law codified in 5 U.S.C. 39, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

#### DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

THE VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON as members of the committee on the part of the Senate.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

##### By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on Post Office and Civil Service:

##### "SENATE CONCURRENT RESOLUTION 16

"Concurrent resolution relative to the issuance of a commemorative postage stamp celebrating the 250th anniversary of the founding in 1714 of Natchitoches and therewith the founding of Louisiana

"Whereas Natchitoches was the first settlement in the present State of Louisiana and also the first in that vast territory which later came to be known as the Louisiana Purchase; and

"Whereas the establishment of this trading post, with its Fort St. Jean Baptiste de Natchitoches, was of signal historical importance in the settlement and development of the Southwest; and

"Whereas Fort St. Jean Baptiste de Natchitoches for many years guarded the frontier of Louisiana against threatened invasion and additionally served as a bulwark of defense in times of peril from the Indians; and

"Whereas Natchitoches was the eastern anchor of El Camino Real, the highway which terminated in Mexico City and which played a vital and indispensable role in the opening of the great Southwest, for over this famous road moved many heavily laden pack trains in a thriving trade and thousands upon thousands of settlers and numerous illustrious individuals, for example Louis Juchereau de St. Denis, James Bowie, David Crockett, Zebulon Pike, President Zachary Taylor, President Ulysses S. Grant, and Gen. Sam Houston; and

"Whereas the 250th anniversary of the founding of Natchitoches, and therewith Louisiana, will be celebrated with all due ceremony in the year 1964: Therefore be it

"Resolved by the senate of the Legislature of the State of Louisiana (the house of representatives concurring), That the Legislature of Louisiana does hereby memorialize the Postmaster General of the United States to provide for the issuance of a postage stamp commemorating the 250th anniversary of the establishment of Natchitoches, and therewith Louisiana; and be it further

"Resolved, That the Postmaster General is urged in connection therewith to designate the post office at Natchitoches, La., as the official post office for the canceling of first-day covers and for the sale of the commemorative stamp; and be it further

"Resolved, That copies of this resolution shall be transmitted without delay to the President and the Vice President of the United States, to the Postmaster General of the United States, to the Speaker of the House of the Representatives of the United States, and to each Member of the Louisiana delegation in the Congress of the United States.

"Lieutenant Governor and President of the Senate.

"Speaker of the House of Representatives."

#### RESOLUTION OF SIXTH GUAM LEGISLATURE

Mr. ANDERSON. Mr. President, with the eyes of the world upon Asia and its teeming millions, developments in that part of the United States nearest the Asiatic Continent are of increasing importance and interest. I refer of course to the island of Guam, which has been under the American flag since the war with Spain, a period of more than 60 years. The 40,000-plus Guamanians have been American citizens for some 12 years.

With full American citizenship, and a very large degree of local self-government, Guam is in many respects our "showcase of democracy" in the Far East. Americans everywhere have a right to be proud of the political and economic attainments of their fellow-Americans living on the edge of the Asiatic world.

Among the early acts of the Kennedy administration was the appointment of a native of Guam, Hon. Richard F. Taitano, to be Director of the Office of Territories in the Department of the Interior. At the same time, President Kennedy appointed William Daniel, of Texas, an able administrator and public servant, to be Governor of Guam. For Governor Daniel's aide and second in command, the President appointed another Guamanian, Hon. Manuel F. L. Guerrero as Government Secretary.

The wisdom of the President's choice was recently demonstrated by the action



of the popularly elected legislature of Guam in passing a resolution, Resolution 396, extending on behalf of the people of Guam sincere congratulations to Governor Daniel and Secretary Guerrero on completion of their first year in office, a year marked by outstanding accomplishment, and expressing the hope that, in the words of the legislature, "these two outstanding public servants shall continue to devote their remarkable energies and public spirit to the future welfare of the territory."

Mr. President, I ask unanimous consent that the text of this resolution enacted by the chosen representatives of the American citizens of Guam be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

#### RESOLUTION 396

Resolution relative to expressing on behalf of the people of Guam congratulations to Gov. Bill Daniel and Secretary Manuel F. L. Guerrero for the successful completion of their first year in office

Whereas on May 20, 1961, the Honorable Bill Daniel and the Honorable Manuel F. L. Guerrero were inaugurated as Governor and secretary, respectively, of the territory of Guam, to serve for the terms provided in the Organic Act, and therefore our two highest executive officials have thus served a year in office, making it appropriate for the legislature to recognize the achievements of this first year; and

Whereas during the first year of the New Frontier administration on Guam, the Governor and secretary have implemented many programs which promise to considerably ameliorate the social and economic conditions of the island, among which programs are the "crash program" to beautify the territory, best exemplified by the reappearance of the city of Agaña from under jungle undergrowth, the Operation Guam Friendship, resulting in the addition of invaluable new bloodlines to the government herds and eventually to the local farm stock, the establishment of an economic commission, which is moving forward toward the rejuvenation of Guam's civilian economy, assistance toward the loosening of the bonds of the naval entry clearance program to such an extent that at least a tourist program is possible for the territory, the attraction of outside capital to Guam for the purpose of making substantial capital investments such as the planned new hotel, assistance toward the acquisition from Federal agencies here of unused land which new Government of Guam land has been turned into beneficial public use, the upgrading of our educational and public health standards to the betterment of the local population, pursuant to recommendations of the legislature, assistance toward the improvement of our relationship with the national administration in Washington which promises much greater Federal recognition in the future, and generally a program of rapid movement and progress in all public areas, which era of remarkable achievement has earned the sincere commendation of the people of this territory: Now, therefore, be it

*Resolved*, That the Sixth Guam Legislature does hereby on behalf of the people of Guam express to the Honorable Bill Daniel, Governor of Guam, and the Honorable Manuel F. L. Guerrero, secretary of Guam, sincere congratulations for the successful completion of their first year in office; and be it further

*Resolved*, That this resolution do also serve as an expression of hope on the part of the people of Guam that these two outstanding public servants shall continue to

devote their remarkable energies and civic spirit to the future welfare of this territory; and be it further

*Resolved*, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Honorable John F. Kennedy, President of the United States, to the Honorable Lyndon B. Johnson, Vice President of the United States, to the Honorable Stewart Udall, Secretary of the Interior, to the Honorable Clinton P. Anderson, chairman of the Senate Committee on Interior and Insular Affairs, to the Honorable Wayne N. Aspinall, chairman of the House Committee on Interior and Insular Affairs, to the Honorable Manuel F. L. Guerrero, secretary of Guam, and to the Honorable Bill Daniel, Governor of Guam.

Duly adopted on the 23d day of May 1962.

V. B. BAMBIA,  
Legislative Secretary.  
A. B. WON PAT,  
Speaker.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BARTLETT, from the Committee on Commerce, with an amendment:

S. 367. A bill to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel (Rept. No. 1541).

#### AMENDMENT OF SMALL BUSINESS ACT—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS (S. REPT. NO. 1542)

Mr. PROXMIRE. Mr. President, from the Committee on Banking and Currency, I report favorably, with an amendment, the bill (S. 2970) to amend the Small Business Act, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report, together with my individual views, be printed.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that my individual views on this bill be printed at this point in the RECORD.

There being no objection, the individual views were ordered to be printed in the RECORD, as follows:

#### INDIVIDUAL VIEWS OF SENATOR WILLIAM PROXMIRE

The decision of the majority of the committee to increase the size of the fiscal 1963 authorization for the Small Business Administration to \$250 million, which is \$24 million above the amount requested by the Administration, is not justified.

The Administration had originally asked that the authorization ceiling be eliminated entirely. This proposal was disapproved by the committee. The Administration also submitted a budget request of \$226 million for fiscal 1964. This amount would have been generous and more adequate to meet the projected 30 percent increase in outstanding SBA loans next year. It was even more adequate in view of the pooling of the loan and disaster funds, which was not anticipated at the time the budget estimate was made.

Not only did this pooling give more flexibility to SBA management, but it in effect provided more funds for business loan program since the disaster fund has never been

fully used. The extra \$16 million authorization to the SBIC program also seems unnecessary in view of the \$183 million unutilized SBIC funds still at the disposal of the SBA from previous authorizations.

I oppose this authorization increase not from any lack of sympathy with the principle that small business firms contribute greatly to our economy, face serious difficulties in getting loanable funds, and merit assistance from the Federal Government through the SBA. The SBA is assisting small business firms in many important ways. Its Administrator, John Horne, is doing a fine job and has my admiration and respect.

However, while I do believe the SBA has a significant role to play in assisting small businesses, both financially and in other ways, I think it is evident that the SBA cannot and should not be expected to solve all the financing problems of all small businesses everywhere in the country. To attempt such an undertaking would require many additional billions of dollars of Government expenditure, and would be of questionable wisdom. The problem is: Where should the line be drawn?

SBA lending programs have expanded at a very rapid rate in the past several years. From total outstanding business loans of \$290 million at the start of fiscal 1959, the program has expanded to a level of \$735 million at the end of fiscal 1962. The authorization boost proposed by the majority of the committee will make possible a further acceleration. I am not convinced that so rapid an expansion is a wise policy. It raises a number of serious questions about the basic purpose and scope of Federal Government lending to business concerns which I believe deserve full study and answers before a further authorization increase substantially above the administration budget is enacted.

Such a study might show, for example, that there are specific kinds of small business financing which a Federal lending program is uniquely well fitted to provide. Clearly firms in areas where there are few banks, or which are experiencing persistent and substantial unemployment, have exceptional needs for outside financial assistance. Where deserving firms are denied bank financing for noneconomic reasons Federal financial assistance may also be uniquely necessary.

#### LARGER APPROPRIATIONS NOT THE ANSWER

It is not necessarily sound policy to meet these specific, limited small business financing needs by ever larger appropriations to the SBA. SBA's funds are now broadly applied to business firms in response to applications in all 50 States. In some cases SBA branch offices are located in areas where there are many banks and private lending institutions, and where no exceptional justification for federally subsidized business loans exists. As long as traditional policies are followed, additional appropriations will continue to be spread thinly over the entire area of small business financing.

The committee report states that 25,000 or about one-half of 1 percent of the 4½ million small business firms in the Nation have received financial assistance from the SBA loan program in its entire history. If this program expanded to cover even 3 percent of all small businesses in the United States, instead of one-half of 1 percent, additional billions of dollars of new appropriations would be required. This will be true as long as present loan policies are followed. Even without such an expansion the SBA projects that its total outstanding loans by 1967 will be more than \$2½ billion. Congress must ask if the SBA loan program is making the best possible use of funds already at its disposal. Congress should decide the specific purposes for which additional appropriations to the SBA should be used. It may be that the most deserving small business firms would be aided better

by revising the scope and purpose of SBA lending programs than by simply appropriating more and more dollars each year.

#### RAPID AGENCY EXPANSION CALLS FOR CLOSE LEGISLATIVE OVERSIGHT

When a program like the SBA lending program grows rapidly, Congress has a special responsibility to see that the expansion is fully justified and desirable. The responsibility of legislative oversight would call for congressional review of the SBA's lending policies in any case, in the light of the recent expansion. In the absence of such review, the recommendation by the committee majority that the authorization be expanded in a manner that amounts to a substantial increase above the administration budget request is even less justified.

There probably is already too much congressional involvement in the making of individual loans. SBA loans each year are actually granted to only a minute fraction of 1 percent of the small business firms in the country. The fact that Members of Congress take an active interest in the making of this very limited number of loans is liable to misunderstanding by the small business community generally. Many small businessmen already believe that the support of a Member of Congress is useful in getting a small business loan.

To prevent this kind of misunderstanding, and especially to provide congressional direction for the hundreds of millions of dollars authorized every year to be loaned to small businesses, I recommend that Congress establish clear guidelines for SBA lending programs. There should be priorities which take account of the different needs of different kinds of small business in the various parts of the country. This would help insure that the necessarily limited funds of the SBA are put to best possible use.

In devising such a scale of priorities a number of questions should be raised and resolved. I suggest that some of these questions should include the following:

1. Should the SBA continue to lend half of its total funds in large loans to a relatively small number of firms? Over 50 percent of the dollar volume of loans dispensed by the SBA has been in loans over \$100,000 in size, and these loans have gone to only 10 percent of the firms receiving loans from the SBA.

2. Should the SBA give lower priority to loans which permit the refinancing of existing debts held by firms? About 40 percent of the loans made by the SBA are now made for this purpose.

3. What kinds of small businesses should get SBA loans? Less than half of all SBA loans go to manufacturing firms. Large numbers are going to businesses like motels, bowling alleys, and doctors' and lawyers' offices. Often such loans contribute relatively little to employment and economic growth. I have no doubt that these firms are profitable, attractive enterprises, but I question whether aiding them with substantial Federal loans is good public policy.

4. Should more stringent criteria for bank turn-downs be established? As a practical matter the turn-down procedure is a standing joke with many bankers. In many instances the turn-down is given as a matter of routine to customers who prefer easier SBA terms or lower SBA interest rates.

5. Should SBA loans be limited in areas which are fully banked, and which are not experiencing serious economic difficulties? Should loans for defense-oriented business be given higher priority?

6. Should Congress give more attention to non-Government alternatives for meeting small business financing problems? If there were more banks and other private lending institutions, and if there were more vigorous competition between them, it is likely that the financing problems of small businesses would be eased.

Before these and other relevant questions have been fully answered I will continue to have strong reservations about freely approving and indeed increasing the rapid growth rate of the SBA.

#### REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL STOCKPILE INVENTORIES

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonesential Federal Expenditures, I submit a report on Federal stockpile inventories as of February 1962. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

#### FEDERAL STOCKPILE INVENTORIES, FEBRUARY 1962

##### INTRODUCTION

This is the 27th in a series of monthly reports on Federal stockpile inventories under

the Department of Agriculture, General Services Administration, Department of Defense, and the Department of Health, Education, and Welfare. It is for the month of February 1962.

The report is compiled from official data on quantities and cost value of commodities in these stockpiles submitted to the Joint Committee on Reduction of Nonesential Federal Expenditures by the agencies involved.

The four agencies reported that as of February 1, 1962, the cost value of materials in their stockpile inventories totaled \$13,989,433,000 and as of February 28, 1962, they totaled \$13,773,104,000 a net decrease of \$216,329,000 reflecting acquisitions, disposals, adjustments, etc., during the month.

It should be noted that the report for February includes an additional stockpile inventory—the national industrial equipment reserve of machine tools, under the General Services Administration. This inventory, valued at \$88 million, has not appeared in previous committee reports of this series.

Different units of measure make it impossible to summarize the quantities of commodities and materials which are shown in tables 1, 2, 3, and 4, but the cost value figures are summarized by agency and program, as follows:

#### Summary of cost value of stockpile inventories by program and reporting agency

[In thousands]

Agency and program	Beginning of month, Feb. 1, 1962	End of month, Feb. 28, 1962	Net change, reflecting acquisitions, disposals, adjustments, etc.
Department of Agriculture:			
Price support program:			
Agricultural commodities.....	\$4,964,387	\$4,745,511	-\$218,876
Exchange commodities—strategic and critical materials.....	78,249	48,923	-29,326
Total, Department of Agriculture.....	5,042,636	4,794,434	-248,202
General Services Administration:			
Strategic and critical materials:			
National stockpile.....	6,083,482	6,075,719	-7,763
Federal Facilities Corporation: Tin inventory.....	1,634	63	-1,571
Defense Production Act program.....	1,484,125	1,482,306	-1,819
National industrial equipment reserve.....	87,547	88,055	+508
Supplemental stockpile.....	1,037,891	1,100,604	+62,713
Supplemental stockpile inventory in transit.....	60,370	39,571	-20,799
Total, General Services Administration.....	8,755,048	8,786,317	+31,269
Department of Defense: Civil defense stockpile.....	21,537	21,592	+55
Department of Health, Education, and Welfare: Civil defense medical stockpile.....	170,212	170,761	+549
Grand total.....	13,989,433	13,773,104	-216,329

NOTE.—Figures are rounded and may not add to totals.

#### NATIONAL STOCKPILE DECLASSIFICATION

For the first time in this series of stockpile reports, figures on the national stockpile appear in detail, following declassification of certain stockpile data ordered by the Office of Emergency Planning. (See appendix, p. 27.) February 1962 quantity and cost value figures by commodity for the national stockpile, under the General Services Administration, appear in table 2, page 7.

Under the declassification it is now possible to publish the complete inventory of strategic and critical materials in all stockpiles for the first time. Under these conditions two special tables appear in this report: one showing the volume of strategic and critical materials inventories (all grades) as compared with the national objectives, and the other showing changes in the volume since 1959. This material is shown in tables 5 and 6, beginning after page 16 of this report.

#### TABULAR MATERIAL

Tables 1, 2, 3, and 4 in this report show opening inventories at the beginning of the month in quantity and cost, transactions during the month, and closing inventories

at the end of the month. Each inventory is shown by material including, for the first time, commodity detail for the national stockpile which has been declassified.

Pertinent information and explanation are set forth in notes accompanying the respective tables. Statutory authority and program descriptions are shown in the appendix to the report.

The inventories covered by the report are tabulated in detail as follows:

Table 1: Agricultural price-support program inventories under Commodity Credit Corporation, Department of Agriculture, February 1962: Including agricultural commodities and strategic and critical materials acquired by exchange or barter.

Table 2: Strategic and critical materials inventories under General Services Administration, February 1962: Including materials in the national stockpile, Federal Facilities Corporation tin inventory, Defense Production Act purchase program, national industrial equipment reserve, the supplemental stockpile of materials acquired by exchange or barter of agricultural commodities, etc., and inventory in transit from Commodity



Credit Corporation to the supplemental stockpile.

Table 3: Civil defense stockpile inventory under the Department of Defense, February 1962.

Table 4: Civil defense medical stockpile inventory under the Department of

Health, Education, and Welfare, February 1962.

Additional tables on strategic and critical materials included in this report are as follows:

Table 5: Volume of strategic and critical materials in Federal stockpile inventories

(all grades), February 1962, compared with maximum objectives.

Table 6: Changes in the volume of strategic and critical materials in Federal stockpile inventories, by years, December 31, 1959, through February 28, 1962 (pts. A, B, C, and D).

TABLE 1.—Agricultural price-support program inventories under Commodity Credit Corporation, Department of Agriculture, February 1962: Including agricultural commodities, and strategic and critical materials acquired by exchange or barter

EXPLANATORY NOTES

The Department of Agriculture defines the content of the columns as follows:  
Program and commodity: Lists each commodity in the form in which it exists. In some instances, commodities have been processed after acquisition by the Corporation, to increase marketability or to make them suitable for program outlets. The commodities are grouped under the appropriate statutory subclassifications as "Basic," "Designated nonbasic," "Other nonbasic," and "Exchange."

Unit of measure: The applicable unit used in the accounting records and reports of the Corporation.

Inventory, beginning of month: Quantity: In number of units. Cost value: Represents acquisition cost plus cost of any packaging or processing performed after acquisition. Acquisition cost for commodities stored in commercial warehouses, acquired from price-support loans or purchase agreements, is generally the amount due on the loan, excluding interest, or the purchase agreement settlement value of the commodity, plus any accrued warehouse charges assumed by the Corporation. Acquisition cost for commodities stored on farms, acquired from price-support loans or purchase agreements, is generally the loan or purchase agreement settlement value of the commodity plus any additional costs of obtaining delivery in storage or on board cars for shipment to storage. For purchases from commercial vendors, acquisition cost is the purchase price. Acquisition cost of materials acquired through barter is the exchange value of the materials stated in the contracts.

Adjustments: Warehouse settlements, processing and/or packaging costs, exchanges and transfers (net): Warehouse settlements include the net differences in quantity and/or value represented by the net of overdeliveries, premiums, underdeliveries, and discounts arising from movement of commodities. Processing and/or packaging costs include only such costs incurred by the Corporation after acquisition of commodities. Exchanges represent the net change in quantity and/or value for inventories exchanged

or in process of exchange. On completed exchanges, the change in value represents differentials due to location, quality, and quantity. Unprocessed commodities removed from inventory for conversion or processing (on a contractual or fee basis and excluding conditional sales) are included as a reduction of inventory. Processed commodities acquired as a result of this conversion or processing are included as an addition to inventory.

Acquisitions: As reflected in accounting records and reports; and includes commodities acquired by delivery of collateral securing loans, commodities purchased under terms of purchase agreements, commodities purchased directly from producers or processors as a part of the support operation but not under purchase agreements; and processed commodities acquired by purchases which offset conditional sales of unprocessed commodities from inventory. The cost value of acquisitions is described under the explanation of the cost value of inventory.

Disposals: As reflected in accounting records and reports. Inventory transactions generally are recorded on the basis of transfer of title. Disposition commitments are not reflected in the accounts. Cost value: Represents acquisition cost plus cost of any packaging or processing performed after acquisition, computed on the basis of average unit cost. Cost allocated to commingled commodities removed from price-support inventories is computed on the basis of national average unit cost of the commodity acquired from the oldest crop year for which any quantity remains in the inventory accounts. Cost allocated to identified commodities is computed on the basis of average unit cost for the identified crop year as reflected in the records of the office accounting for the inventory.

Inventory, end of month: Closing inventory after transactions for the month have been applied to the inventory at the beginning of the month.

[In thousands]

Program and commodity	Unit of measure	Inventory, beginning of month, Feb. 1, 1962		Transactions during the month						Inventory, end of month, Feb. 28, 1961	
		Quantity	Cost value	Adjustments		Acquisitions		Disposals		Quantity	Cost value
<b>Agricultural commodities:</b>											
Basic commodities:											
Corn	Bushel	1,307,084	\$1,624,943	-253	+\$30	1,387	\$1,447	113,974	\$169,531	1,194,244	\$1,456,889
Cornmeal	Pound	16	1			56,857	1,935	56,857	1,935	16	1
Cotton, extra long staple	Bale	18	5,056					3	817	15	4,239
Cotton, upland	do	1,449	245,281					(1)	2	1,449	245,279
Peanut butter	Pound			+4,185	+1,070			4,185	1,070		
Peanuts, shelled	do	7,961	1,270	-4,436	-709	3,577	534	3,677	552	3,425	543
Rice, milled	Hundredweight	268	2,701		(1)	171	1,599	159	1,550	280	2,750
Rice, rough	do	1,626	7,590		-1	(1)		407	1,916	1,219	5,673
Tobacco	Pound					14,356	8,980	14,356	8,980		
Wheat	Bushel	1,108,897	2,191,089	-183	-854	11	20	20,173	40,935	1,088,552	2,149,320
Bulgur	Pound			+8,517	+490			8,517	490		
Wheat, rolled	do					9,747	804	9,747	804		
Wheat flour	do	38	2			222,492	12,010	222,432	12,007	98	5
Total basic commodities			4,077,933		+26		27,329		240,589		3,864,609
Designated nonbasic commodities:											
Barley	Bushel	35,551	30,774	-12	-14	314	294	2,157	2,072	33,696	28,982
Grain sorghum	Hundredweight	328,710	624,621	-13	-2	127	255	8,261	17,592	320,563	607,282
Milk and butterfat:											
Butter	Pound	219,346	132,552	+1	+173	40,411	24,427	20,991	12,841	238,767	144,311
Cheese	do	58,083	22,166	+225	+77	16,022	6,218	5,762	6,002	58,568	22,369
Milk, dried	do	394,819	65,150		(1)	79,970	14,100	69,824	12,202	404,965	67,048
Milk, fluid	do					14,766	642	14,766	642		
Oats	Bushel	7,530	4,652	-14	-8			347	213	7,243	4,478
Rye	do	3,233	3,197	-1	-2	74	47	3	3	3,229	3,192
Tung oil	Pound	119	25					11	2	108	23
Total, designated nonbasic commodities			883,137		+224		45,983		51,659		877,685
Other nonbasic commodities:											
Beans, dry, edible	Hundredweight	381	2,409	(1)	-3			47	343	334	2,063
Soybeans	Bushel					1	2	1	2		
Turpentine	Gallon	1,730	908							1,730	908
Vegetable oil products	Pound					30,687	5,653	29,837	5,497	850	156
Total, other nonbasic commodities			3,317		-3		5,655		5,842		3,127
Total, agricultural commodities			4,964,387		+247		78,967		298,090		4,745,511
<b>Exchange commodities:</b>											
Strategic and critical materials:											
Antimony	Pound	2,825	\$898			557	\$167	1,190	\$363	2,192	\$702
Asbestos, amosite	do	5,394	642			1,594	189	3,994	476	2,994	355
Asbestos, crocidolite	do	3,996	502			1,000	126	700	87	4,296	541
Bauxite	do	2,617,035	16,636			441,749	3,062	1,373,073	7,894	1,685,711	11,794
Bismuth	do		547							254	547
Boart	Carat	500	1,379					500	1,379		
Cadmium	Pound	601	919			3	5				
Chrome ore, chemical grade	do	69,418	565			11,000	90	47,038	383	33,380	272
Chrome ore, metallurgical grade	do	31,973	593					21,229	394	10,744	199
Diamonds	Carat	1,724	17,487			79	681	1,458	15,352	3,171	2,816
Ferrochrome, low carbon	Pound	3,345	696					1,351	269	2,034	427
Ferromanganese	do	69,027	6,288			6,714	585	33,997	3,111	41,744	3,762
Fluorspar, acid grade	do	93,968	1,557			11,331	188	81,443	1,350	23,756	395
Iodine	do	560	582			54	56			614	638
Lead	do	70,392	7,051			29,155	2,610			108,547	9,661

See footnotes at end of table.

TABLE 1.—Agricultural price-support program inventories under Commodity Credit Corporation, Department of Agriculture, February 1962: Including agricultural commodities, and strategic and critical materials acquired by exchange or barter—Continued

(In thousands)

Program and commodity	Unit of measure	Inventory, beginning of month, Feb. 1, 1962		Transactions during the month						Inventory, end of month, Feb. 28, 1961	
				Adjustments		Acquisitions		Disposals			
		Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value
Exchange commodities: 2—Continued											
Strategic and critical materials—Continued											
Manganese ore, chemical grade	Pound	51,156	\$1,630			21,695	\$689	51,156	\$1,630	21,695	\$689
Manganese ore, metallurgical grade	do	294,287	5,574			74,008	1,409	143,136	2,679	225,159	4,304
Manganese ore, natural, battery grade	do	109,863	5,343							109,863	5,343
Mica	do	833	1,541			75	184	288	776	620	949
Palladium	Troy ounce	20	451					20	451		
Platinum	do	25	1,994					25	1,994		
Quartz crystals	Pound	150	2,030							150	2,030
Rutile	do					-6		-6			
Silicon carbide	do	4,161	390					4,161	390		
Thorium nitrate	do	264	587							264	587
Titanium sponge	do	1,250	1,500							1,250	1,500
Tungsten carbide powder	do	345	867			80	213	240	592	185	488
Total, strategic and critical materials			78,249				10,244		39,570		48,923
Total, Department of Agriculture			5,042,636		+\$247		89,211		337,660		4,794,434

1 Less than 500.

2 See appendix for notes relating to the reporting of strategic and critical materials acquired by exchange or barter of agricultural commodities.

NOTE.—Figures are rounded and may not add to totals.

TABLE 2.—Strategic and critical materials inventories under General Services Administration, February 1962: Including materials in the national stockpile, Federal Facilities Corporation tin inventory, Defense Production Act purchase program, national industrial equipment reserve, the supplemental stockpile of materials acquired by exchange or barter of agricultural commodities, etc., and inventory in transit from Commodity Credit Corporation to the supplemental stockpile

## EXPLANATORY NOTES

The General Services Administration defines the content of the columns as follows: Program and commodity: Identifies the program and the minerals, metals, fibers and oils acquired under the program.

Unit of measure: The standard weight or measure of minerals, metals, fibers, and oils determined to be the stockpile unit of measure.

Inventory, beginning of month: Opening inventory represents quantity and cost of material in storage at the beginning of the accounting period.

Adjustments: Represents increases (+) or decreases (−) of materials in inventory other than increases from acquisitions or decreases from disposals. Decreases occur from theft, loss incurred while in transit to stockpile location, repacking from one type of container to another, beneficiation of a low-grade material to a higher grade, and the removal of material for sampling and testing purposes. Increases occur from return of material previously removed for sampling and testing purposes and from quantities received at storage locations in excess of quantities billed by the contractor. A new chemical analysis of the materials may cause an increase or decrease where the weights are based on chemical and moisture content. Increases or decreases are also made from findings of audits of inventory and accounting records.

Acquisitions: For the National Stockpile and Defense Production Act acquisitions include open market purchases at contract prices; intradepartmental transfers at market or appraised value at time of transfer; transportation to first permanent storage location; and, beneficiating and processing cost in upgrading materials. For the supplemental stockpile acquisitions include the market value or CCC's acquisition cost whichever is the lower at time of transfer from CCC.

Disposals: Cost of disposals are calculated at the average unit price of inventory at time of removal from inventory. For the national stockpile inventory disposals consist of sale of materials that by their nature would deteriorate if held in storage for lengths of time; and, sale of materials that have been determined to be obsolete or excess to the needs of Government. For the Defense Production Act inventory disposals consist of sale of materials that have been determined to be obsolete or excess to the needs of Government.

Inventory, end of month: Closing inventory represents quantity and cost of material in storage at the end of the accounting period.

(In thousands)

Program and commodity	Unit of measure	Inventory, beginning of month, Feb. 1, 1962		Transactions during the month						Inventory, end of month, Feb. 28, 1962	
				Adjustments		Acquisitions		Disposals			
		Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value
National stockpile (see appendix for declassification order):											
Aluminum, metal.....	Short ton.....	1,129	\$487,687	(1)	+\$2					1,129	\$487,689
Aluminum oxide, fused, crude.....	Short dry ton.....	200	21,735							200	21,735
Antimony.....	Short ton.....	30	20,488							30	20,488
Asbestos, amosite.....	do.....	12	2,638							12	2,638
Asbestos, chrysotile.....	Short dry ton.....	6	3,155							6	3,155
Asbestos, crocidolite.....	Short ton.....	2	702							2	702
Bauxite, metal grade, Jamaica type.....	Long dry ton.....	880	13,925							880	13,925
Bauxite, metal grade, Surinam type.....	do.....	4,965	78,657	(1)	(1)			(1)	\$4	4,965	78,653
Bauxite, refractory grade.....	Long calcined ton.....	299	11,348							299	11,348
Beryl.....	Short ton.....	23	9,770							23	9,770
Bismuth.....	Pound.....	1,342	2,674							1,342	2,674
Bristles, hog.....	do.....	8	63							8	63
Cadmium.....	do.....	10,972	21,603	(1)		22	\$34	7	14	10,987	21,623
Castor oil.....	do.....	222,726	56,297	-501	-492	200	278			222,426	56,083
Celestite.....	Short dry ton.....	29	1,412							29	1,412
Chromite, chemical grade.....	do.....	559	12,287							559	12,287
Chromite, metallurgical grade.....	do.....	3,800	264,876							3,800	264,876
Chromite, refractory grade.....	do.....	1,047	25,149							1,047	25,149
Cobalt.....	Pound.....	76,975	170,570					796	1,957	76,178	168,612
Cocunut oil.....	do.....	178,273	27,012					2,058	311	176,216	26,701
Columbium.....	do.....	7,489	23,858	(1)						7,489	23,858
Copper.....	Short ton.....	1,008	521,489	(1)	+\$1	323				1,008	521,812
Cordage fibers, abaca.....	Pound.....	153,001	39,006	-6	-1	1,186	308	1,577	401	153,604	38,912
Cordage fibers, sisal.....	do.....	322,384	45,138	-3		3,946	434	8,207	1,149	318,121	44,423
Corundum.....	Short ton.....	2	393							2	393
Cotton.....	Pound.....	109,603	128,416							109,603	128,416
Diamond, dies.....	Piece.....	14	427			(1)	3			14	430
Diamond, industrial, crushing bort.....	Carat.....	31,113	61,610							31,113	61,610
Diamond, industrial, stones.....	do.....	9,165	99,443							9,165	99,443

See footnotes at end of table.



TABLE 2.—Strategic and critical materials inventories under General Services Administration, February 1962: Including materials in the national stockpile, Federal Facilities Corporation tin inventory, Defense Production Act purchase program, national industrial equipment reserve, the supplemental stockpile of materials acquired by exchange or barter of agricultural commodities, etc., and inventory in transit from Commodity Credit Corporation to the supplemental stockpile—Continued

(In thousands)

Program and commodity	Unit of measure	Inventory, beginning of month, Feb. 1, 1962		Transactions during the month						Inventory, end of month, Feb. 28, 1961			
		Quantity	Cost value	Adjustments		Acquisitions		Disposals		Quantity	Cost value		
				Quantity	Cost value	Quantity	Cost value	Quantity	Cost value				
National stockpile, etc.—Continued													
Diamond tools.....	Piece.....	64	\$1,015							64	\$1,015		
Feathers and down.....	Pound.....	10,594	43,890	(1)				375	\$1,553	10,220	42,338		
Fluorspar, acid grade.....	Short dry ton.....	463	26,168							463	26,168		
Fluorspar, metallurgical grade.....	do.....	369	17,332							369	17,332		
Graphite, natural, Ceylon, amorphous lump.....	do.....	4	938							4	938		
Graphite, natural, Madagascar, crystalline.....	do.....	35	7,126	(1)				(1)	—1	35	7,126		
Graphite, natural, other, crystalline.....	do.....	5	1,896							5	1,896		
Hydrochloride of quinine.....	Ounce.....	1	1							1	1		
Hyoseline.....	do.....	6	82					2	25	4	57		
Iodine.....	Pound.....	2,978	4,082							2,978	4,082		
Iridium.....	Troy ounce.....	14	2,526							14	2,526		
Jewel bearings.....	Piece.....	50,382	3,186							50,382	3,186		
Kyanite, mullite.....	Short dry ton.....	10	872							10	872		
Lead.....	do.....	1,050	319,301	(1)	(1)					1,050	319,301		
Magnesium.....	do.....	183	132,666					(1)	95	183	132,571		
Manganese, battery grade, natural ore.....	do.....	144	21,026							144	21,026		
Manganese, battery grade, synthetic dioxide.....	Short dry ton.....	21	3,096							21	3,096		
Manganese, chemical grade, type A.....	do.....	29	2,133							29	2,133		
Manganese, chemical grade, type B.....	do.....	2	133							2	133		
Manganese, metallurgical grade.....	do.....	5,854	248,354	(1)		\$108				5,854	248,462		
Mercury.....	Flask.....	131	20,251							131	20,251		
Mica, muscovite block.....	Pound.....	11,644	27,694							11,644	27,694		
Mica, muscovite film.....	do.....	1,733	9,058							1,733	9,058		
Mica, muscovite splittings.....	do.....	40,030	40,598							40,030	40,598		
Mica, phlogopite block.....	do.....	223	304							223	304		
Mica, phlogopite splittings.....	do.....	3,074	2,581							3,074	2,581		
Molybdenum.....	do.....	84,305	88,281	—240		271				84,065	88,552		
Nickel.....	do.....	335,899	182,913					1,361	806	334,538	182,107		
Opium.....	do.....	196	13,662							196	13,662		
Palladium.....	Troy ounce.....	90	2,079							90	2,079		
Palm oil.....	Pound.....	34,209	6,158							34,209	6,158		
Platinum.....	Troy ounce.....	721	57,235							721	57,235		
Poppy seeds.....	Pound.....	2	1							2	1		
Pyrethrum.....	do.....	66	415							66	415		
Quartz, raw.....	do.....	5,709	70,382					22	272	5,687	70,110		
Quartz, processed.....	Piece.....	17	1					5	(1)	12	1		
Quinidine.....	Ounce.....	1,953	2,253					10	12	1,943	2,242		
Quinine.....	do.....	9,525	6,023							9,525	6,023		
Rare earths.....	Short dry ton.....	10	6,835							10	6,835		
Rhodium.....	Troy ounce.....	1	185					(1)	39	1	146		
Rubber.....	Long ton.....	1,090	842,447	(1)				3	2,502	1,086	839,945		
Rutile.....	Short dry ton.....	19	2,070							19	2,070		
Sapphire and ruby.....	Carat.....	17,968	211							17,968	211		
Selenium.....	Pound.....	97	757							97	757		
Shellac.....	do.....	18,061	9,055							18,061	9,055		
Silicon carbide, crude.....	Short ton.....	65	11,395							65	11,395		
Silk nolls and waste.....	Pound.....	3,510	5,212	—1	—\$1			29	46	3,481	5,165		
Silk, raw.....	do.....	114	487							114	487		
Sperm oil.....	do.....	23,442	4,775							23,442	4,775		
Talc, steatite block and lump.....	Short ton.....	1	503					(1)	1	1	503		
Talc, steatite ground.....	do.....	4	223							4	223		
Tantalite.....	Pound.....	3,423	10,906	(1)						3,423	10,906		
Tin.....	Long ton.....	341	828,643	(1)	—5					341	828,639		
Totaquine.....	Ounce.....	7,654	4,854							7,654	4,854		
Tungsten.....	Pound.....	119,947	368,609	+9		16	62			119,971	368,671		
Vanadium.....	do.....	16,163	32,028							16,163	32,028		
Vegetable tannin extract, chestnut.....	Long ton.....	42	11,968							42	11,968		
Vegetable tannin extract, quebracho.....	do.....	200	49,375	(1)						200	49,375		
Vegetable tannin extract, wattle.....	do.....	40	9,992							40	9,992		
Zinc.....	Short ton.....	1,256	364,055	(1)	+20	(1)	101			1,256	364,176		
Zirconium ore, baddeleyite.....	Short dry ton.....	17	711							17	711		
Zirconium ore, zircon.....	do.....	11	648	(1)	—3			(1)	21	11	624		
Total, national stockpile.....			6,083,482		—480		1,922		9,205		6,075,719		
Federal Facilities Corporation: Total, tin.....	Long ton.....	1	1,634					1	1,571	(1)	63		
Defense Production Act:													
Aluminum.....	Short ton.....	813	412,149			2	745			814	412,893		
Asbestos, chrysotile.....	Short dry ton.....	2	2,103							2	2,103		
Bauxite, metal grade, Jamaica type.....	Long dry ton.....	1,370	18,168							1,370	18,168		
Beryl.....	Short ton.....	2	1,286			(1)	24			2	1,310		
Bismuth.....	Pound.....	23	52							23	52		
Chromite, metallurgical grade.....	Short dry ton.....	986	35,880							986	35,880		
Cobalt.....	Pound.....	25,208	52,103							25,208	52,103		
Columbite.....	do.....	10,617	51,731							10,617	51,731		
Copper.....	Short ton.....	123	68,344					1	596	121	67,748		
Cryolite.....	do.....	35	9,026					(1)	105	34	9,521		
Fluorspar, acid grade.....	Short dry ton.....	20	1,394							20	1,394		
Lead.....	Short ton.....	8	3,036							8	3,036		
Manganese, battery grade, synthetic dioxide.....	Short dry ton.....	4	2,524							4	2,524		
Manganese, metallurgical grade.....	do.....	3,125	180,327							3,125	180,327		
Mica, muscovite block and film.....	Pound.....	6,415	39,199			17	302	1	3	6,431	39,499		
Nickel.....	do.....	101,954	90,583	+2				2,291	2,187	99,665	88,397		
Palladium.....	Troy ounce.....	8	177							8	177		
Rare earths residue.....	Pound.....	6,086	658							6,086	658		
Rutile.....	Short dry ton.....	18	2,725							18	2,725		
Tantalite.....	Pound.....	1,531	9,734							1,531	9,734		
Thorium.....	do.....	849	42							849	42		
Titanium.....	Short ton.....	22	172,820							22	172,820		
Tungsten.....	Pound.....	79,775	325,459							79,775	325,459		
Subtotal, DPA commodities.....			1,480,120				1,071		2,890		1,478,301		

See footnotes at end of table.

TABLE 2.—Strategic and critical materials inventories under General Services Administration, February 1962: Including materials in the national stockpile, Federal Facilities Corporation tin inventory, Defense Production Act purchase program, national industrial equipment reserve, the supplemental stockpile of materials acquired by exchange or barter of agricultural commodities, etc., and inventory in transit from Commodity Credit Corporation to the supplemental stockpile—Continued

[In thousands]

Program and commodity	Unit of measure	Inventory, beginning of month, Feb. 1, 1962		Transactions during the month						Inventory, end of month, Feb. 28, 1961			
		Quantity	Cost value	Adjustments		Acquisitions		Disposals		Quantity	Cost value		
				Quantity	Cost value	Quantity	Cost value	Quantity	Cost value				
Defense Production Act—Continued													
Machine tools inventory:													
On lease.....	Tool.....	(1)	\$3,966								(1)	\$3,966	
On loan.....	do.....	(1)	39								(1)	39	
Subtotal, DPA machine tools.....			4,005									4,005	
Total, Defense Production Act.....			1,484,125				\$1,071		\$2,890			1,482,306	
National industrial equipment reserve:													
Machine tools inventory:													
In storage.....	do.....	8	84,005			(1)	696	(1)	191		8	84,509	
On lease.....	do.....	(1)	28								(1)	28	
On loan to other agencies.....	do.....	(1)	785								(1)	785	
On loan to school programs.....	do.....	1	2,730			(1)	4				1	2,734	
Total, national industrial equipment reserve.....			87,547				700		191			88,055	
Supplemental stockpile: 2													
Aluminum oxide, fused, crude.....	Short ton.....	178	22,744		+\$3						178	22,746	
Antimony.....	do.....	13	7,004			1	438				13	7,443	
Asbestos, amosite.....	do.....	9	2,140			2	586				11	2,726	
Asbestos, chrysotile.....	Short dry ton.....	5	3,739			1	247				6	3,985	
Asbestos, crocidolite.....	Short ton.....	8	2,244			2	512				10	2,756	
Bauxite, metal grade, Jamaica type.....	Long dry ton.....	3,189	49,377			621	9,407				3,810	58,784	
Bauxite, metal grade, Surinam type.....	do.....	1,847	28,605			25	280				1,872	28,885	
Beryl.....	Short ton.....	11	22,341			(1)	403				11	22,743	
Bismuth.....	Pound.....	1,497	3,348								1,497	3,348	
Cadmium.....	do.....	6,609	10,967								6,609	10,967	
Chromite, chemical grade.....	Short dry ton.....	279	14,459			122	2,270				401	16,729	
Chromite, metallurgical grade.....	do.....	1,394	217,599			22	1,761				1,416	219,360	
Chromite, refractory grade.....	do.....	177	4,960			3	74				180	5,035	
Cobalt.....	Pound.....	1,077	2,169								1,077	2,169	
Colemanite.....	Long dry ton.....	68	2,653		-17						68	2,636	
Columbite.....	Pound.....	389	782		+17						389	799	
Copper.....	Short ton.....	11	7,398			(1)	69				11	7,467	
Diamond, industrial, bort.....	Carat.....	3,524	9,857			1,000	2,758				4,524	12,615	
Diamond, industrial, stones.....	do.....	11,497	146,861			966	10,119				12,463	156,981	
Fluorspar, acid grade.....	Short dry ton.....	570	29,409			29	1,076				598	30,485	
Fluorspar, metallurgical grade.....	do.....	43	1,508								43	1,508	
Graphite, natural, Ceylon, amorphous lump.....	do.....	1	341								1	341	
Iodine.....	Pound.....	242	231								242	231	
Lead.....	Short ton.....	222	58,676								222	58,676	
Manganese, battery grade, natural ore.....	Short dry ton.....	70	7,349			11	1,066				82	8,415	
Manganese, chemical grade, type A.....	do.....	39	2,788			17	1,172				56	3,960	
Manganese, chemical grade, type B.....	do.....	56	4,020			9	536				64	4,556	
Manganese, metallurgical grade.....	do.....	2,307	174,339			212	14,328				2,520	188,667	
Mercury.....	Flask.....	16	3,446								16	3,446	
Mica, muscovite block, stained and better.....	Pound.....	263	698			439	1,546				701	2,244	
Mica, muscovite film.....	do.....	27	212			20	210				47	422	
Mica, muscovite splittings.....	do.....	4,826	6,226								4,826	6,226	
Mica, phlogopite splittings.....	do.....	503	491			302	333				804	823	
Palladium.....	Troy ounce.....	548	9,872			80	1,805				628	11,677	
Platinum.....	do.....					25	1,994				25	1,994	
Quartz crystals.....	Pound.....	82	1,099								82	1,099	
Rare earths.....	Short dry ton.....	2	2,427			2	3,331				4	5,757	
Ruthenium.....	Troy ounce.....	15	560								15	560	
Rutile.....	Short ton.....	10	951			1	142				12	1,093	
Selenium.....	Pound.....	157	1,071								157	1,071	
Silicon carbide, crude.....	Short ton.....	116	23,389			14	2,818				130	26,207	
Tantalite.....	Pound.....	8	21								8	21	
Thorium nitrate.....	do.....	4,080	9,966		(1)						4,080	9,966	
Tin.....	Long ton.....	8	16,404								8	16,404	
Titanium.....	Short ton.....	8	27,933			1	2,198				8	30,131	
Tungsten.....	Pound.....	4,493	15,627								4,493	15,627	
Tungsten carbide powder.....	do.....					468	1,232				468	1,232	
Zinc.....	Short ton.....	324	79,592		(1)						324	79,592	
Total, supplemental stockpile.....			1,037,891		+3		62,709					1,100,604	
Supplemental stockpile inventory in transit: 2													
Antimony.....	Short ton.....	1	403			1	363				1	363	
Asbestos, amosite.....	do.....	2	502			2	476				2	476	
Asbestos, chrysotile.....	Short dry ton.....	1	240								1	240	
Asbestos, crocidolite.....	Short ton.....	2	527			(1)	88				(1)	88	
Bauxite.....	Long dry ton.....	751	9,377			613	7,894				751	9,377	
Beryl.....	Short ton.....	(1)	469					(1)			613	7,894	
Chromite, chemical grade.....	Short dry ton.....	124	2,024			24	383				24	383	
Chromite, metallurgical grade.....	do.....	498				11	394				11	394	
Chromite, refractory grade.....	do.....	3	73								3	73	
Chromium metal.....	do.....	(1)	104					(1)			104		
Diamond, industrial, bort.....	Carat.....	1,000	2,758			500	1,379				500	1,379	
Diamond, industrial, stones.....	do.....	966	10,106			1,487	15,352				1,487	15,352	
Ferrocchrome, high carbon.....	Short dry ton.....	2	543								2	543	
Ferrocchrome, low carbon.....	do.....	2	669			1	269				1	269	
Ferromanganese.....	do.....	42	7,645			17	3,111				17	3,111	
Fluorspar, acid grade.....	do.....	32	1,129			41	1,351				41	1,351	
Manganese, battery grade, natural.....	do.....	12	1,263								12	1,263	
Manganese, chemical grade.....	do.....	27	1,729			26	1,630				26	1,630	
Manganese, metallurgical grade.....	do.....	137	5,390			72	2,678				72	2,678	
Mica.....	Pound.....	761	2,056			288	776				761	2,056	
Palladium.....	Troy ounce.....	80	1,804			20	451				80	1,804	
Platinum.....	do.....	25	1,993			25	1,993				25	1,993	
Rare earths.....	Short dry ton.....	5	3,100								5	3,100	
Rutile.....	Short ton.....	1	96								1	96	
Silicon carbide, crude.....	do.....	14	2,597			2	390				14	2,597	

See footnotes at end of table.



TABLE 2.—Strategic and critical materials inventories under General Services Administration, February 1962: Including materials in the national stockpile, Federal Facilities Corporation tin inventory, Defense Production Act purchase program, national industrial equipment reserve, the supplemental stockpile of materials acquired by exchange or barter of agricultural commodities, etc., and inventory in transit from Commodity Credit Corporation to the supplemental stockpile—Continued

[In thousands]

Program and commodity	Unit of measure	Inventory, beginning of month, Feb. 1, 1962		Transactions during the month						Inventory, end of month, Feb. 28, 1961	
				Adjustments		Acquisitions		Disposals			
		Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value
Supplemental stockpile inventory in transit—Con.											
Titanium.....	Short ton.....	1	\$2,051					1	\$2,051		
Tungsten.....	Pound.....	501	1,225					501	1,225		
Tungsten carbide powder.....	do.....					240	\$592			240	\$592
Total, supplemental stockpile inventory in transit.....			60,370				39,571		60,370		39,571
Total, General Services Administration.....			8,755,048		—\$477		105,972		74,226		8,786,317

<sup>1</sup> Less than 500.

<sup>2</sup> See appendix for notes relating to the reporting of strategic and critical materials acquired by exchange or barter of agricultural commodities.

NOTE.—Figures are rounded and may not add to totals.

TABLE 3.—Civil defense stockpile inventory under the Department of Defense, February 1962

EXPLANATORY NOTES

The Department of Defense defines the content of the columns as follows:

Commodity: Composite groups of many different items.

Unit of measure: Shown only for engineering supply units; not feasible for other composite groups.

Inventory-quantity: Shown only for one item, namely, engineering supply units. It is not feasible to furnish quantity figures on the other commodity groups because they are composite groups of many different items. To report quantities, it would be necessary to list numerous different items.

Inventory-cost value: Dollar value figures on commodities in the stockpile inventory essentially reflect their actual cost. The stockpile inventory is generally augmented by acquisition of Government excess property without reimbursement to the several holding agencies. The value assigned to these materials is (1) original acquisition cost if known, (2) estimated current market value of items in similar condition, (3) average unit cost of identical or similar items purchased in the open market for

stockpiling. Government excess property acquired by reimbursement is assigned a value equal to the amount of the fair-value reimbursement required.

Adjustments: Represent inventory pricing adjustments resulting from recalculation of fixed average unit prices, transfers of commodities from one composite group to another, etc., during the month.

Acquisitions: Materials placed in inventory during the month, including return to inventory of items previously released from inventory for reworking, etc. Value stated in terms of actual costs of the commodities.

Disposals: Materials removed from inventory during the month, including items released from inventory for reworking, etc. Values shown are based on average unit costs.

Inventory, end of month: Closing inventory after transactions for the month have been applied to the inventory at the beginning of the month.

[In thousands]

Commodity	Unit of measure	Inventory, beginning of month, Dec. 1, 1961		Transactions during the month						Inventory, end of month, Dec. 28, 1962	
				Adjustments		Acquisitions		Disposals			
		Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value
Engineering stockpile (engine generators, pumps, chlorinators, purifiers, pipe and fittings).....	10-mile units....	(1)	\$10,248		-\$107		\$36		\$70	(1)	\$10,106
Chemical and biological equipment.....			2,005		-21		77		2		2,058
Radiological equipment.....			9,285		+25		382		264		9,427
Total, civil defense stockpile, Department of Defense.....			21,537		-103		494		336		21,592

<sup>1</sup> Less than 500.

<sup>2</sup> Obsolete materials disposed of in accordance with established procedures and shipped to the American Embassy, Saigon, Vietnam.

<sup>3</sup> Grants to other Federal agencies and to States in the amount of \$62, and inventory writeoff of \$1,457.

<sup>4</sup> Grants to other Federal agencies and to States in the amount of \$261,800, and inventory writeoff of \$2,558.

NOTE.—Figures are rounded and may not add to totals.

TABLE 4.—Civil defense medical stockpile inventory under the Department of Health, Education, and Welfare, February 1962

EXPLANATORY NOTES

The Department of Health, Education, and Welfare defines content of the columns as follows:

Commodity: Composite groups of many different items.

Unit of measure: Shown only for hospital functional units; not feasible for other composite groups.

Inventory-cost value: The dollar value figures in the civil defense medical stockpile inventory reflect essentially the average acquisition costs per unit of the commodities. No transportation, delivery, or storage costs are included.

Adjustments: Represents increases (+) or decreases (−) of materials in commodity groups other than increases from acquisitions or decreases from disposals. Normally these transactions result from inventory pricing adjustments due to recalculation of

fixed average unit prices, transfers of commodities from one composite group to another, removal of material for sampling during testing or reworking, etc., during the month.

Acquisitions: Materials placed in inventory during month, including new procurement and acquisition of Government excess property.

Disposals: Materials removed from inventory during the month. Costs of disposals are calculated on a basis of the average unit price of items in inventory at the time of removal. Disposals consist principally of items no longer suitable for stockpiling due to deterioration and of samples consumed through testing.

Inventory at end of month: Closing inventory after transactions for the month have been applied to the inventory at the beginning of the month.

[In thousands]

Commodity	Unit of measure	Inventory, beginning of month, Feb. 1, 1962		Transactions during the month						Inventory, end of month, Feb. 28, 1962	
				Adjustments		Acquisitions		Disposals			
		Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value	Quantity	Cost value
Medical bulk stocks and associated items at civil defense mobilization warehouses.....	Each		\$109,780		+\$978		\$526		1 \$10		\$111,274
Medical bulk stock at manufacturer locations.....			5,484				34				5,518
Civil defense emergency hospitals.....		2	38,456		-2				2	2	38,452
Replenishment units (functional assemblies other than hospitals).....			16,492		-976						15,517
Total, civil defense medical stockpile, Department of Health, Education, and Welfare.....			170,212				560		12		170,761

<sup>1</sup> Inventory writeoff—certificate of destruction.

NOTE.—Figures are rounded and may not add to totals.

TABLE 5.—Volume of strategic and critical materials in Federal stockpile inventories (all grades), February 1962, compared with maximum objectives (showing materials in national stockpile, Defense Production Act inventory, supplemental and CCC barter stockpile, and total, by commodities)

Commodity	Unit of measure	National stockpile			Defense Production Act inventory			Supplemental and CCC barter stockpile <sup>1</sup>			Total, all inventories			Maximum objective	Feb. 28, 1962, inventories as (all grades) percent of maximum objective
		Feb. 1, 1962	Feb. 28, 1962	Change	Feb. 1, 1962	Feb. 28, 1962	Change	Feb. 1, 1962	Feb. 28, 1962	Change	Feb. 1, 1962	Feb. 28, 1962	Change		
Aluminum, metal	Short ton	1,129,004	1,129,008	+4	812,672	814,296	+1,624				1,941,676	1,943,304	+1,628	1,200,000	161.9
Aluminum oxide, fused, crude	Short dry ton	200,093	200,093					178,266	178,266		378,359	378,359		200,000	189.2
Antimony	Short ton	30,301	30,301					14,845	15,123	+278	45,146	45,424	+278	70,000	64.9
Asbestos, amosite	do	11,705	11,705					13,462	14,259	+797	25,167	25,964	+797	45,000	57.7
Asbestos, chrysotile	Short dry ton	6,017	6,017		2,348	2,348		5,532	5,532		13,897	13,897		11,000	126.3
Asbestos, crocidolite	Short ton	1,567	1,567					11,716	12,217	+501	13,283	13,784	+501	(2)	(2)
Bauxite, metal grade, Jamaica type	Long dry ton	879,740	879,740		1,370,077	1,370,077		4,643,465	4,693,573	+49,892	6,893,282	6,843,390	-49,892	2,600,000	263.2
Bauxite, metal grade, Surinam type	do	4,965,317	4,965,208	-109				2,312,651	2,454,097	+142,046	7,277,968	7,419,905	+141,937	6,400,000	115.9
Bauxite, refractory grade	Long calcined ton	299,279	299,279								299,279	299,279		187,000	218.5
Beryl	Short ton	23,233	23,233		2,300	2,341	+41	11,266	11,319	+53	36,799	36,893	+94	23,100	159.7
Bismuth	Pound	1,342,402	1,342,402		22,901	22,901		1,750,640	1,750,640		3,115,943	3,115,943		3,000,000	103.9
Bristles, hog	do	8,217	8,217								8,217	8,217		(2)	(2)
Cadmium	do	10,972,130	10,987,173	+15,043				7,209,616	7,212,616	+3,000	18,181,746	18,199,789	+18,043	6,500,000	280.0
Castor oil	do	222,726,169	222,425,519	-300,650							222,726,169	222,425,519	-300,650	68,000,000	327.1
Celestine	Short dry ton	28,816	28,816								28,816	28,816		22,000	121.9
Chromite, chemical grade	do	559,452	559,452					437,791	441,170	+3,379	997,243	1,000,622	+3,379	475,000	210.7
Chromite, metallurgical grade	do	3,800,052	3,800,052		985,646	985,646		1,428,496	1,433,440	+4,944	6,214,194	6,219,138	+4,944	2,700,000	230.3
Chromite, refractory grade	do	1,047,159	1,047,159					1,226,974	1,226,974		1,226,974	1,226,974		1,300,000	94.4
Cobalt	Pound	76,974,610	76,178,248	-796,362	25,208,447	25,208,447		1,077,018	1,077,018		103,260,075	102,463,713	-796,362	19,000,000	539.3
Coconut oil	do	178,273,290	176,215,530	-2,057,760							178,273,290	176,215,530	-2,057,760	(2)	(2)
Colemanite	Long dry tons							67,636	67,636		67,636	67,636		(2)	(2)
Columbium	Pound	7,488,799	7,488,795	-4	10,617,449	10,617,449		388,915	388,915		18,495,163	18,495,159	-4	1,900,000	973.4
Copper	Short ton	1,008,396	1,008,403	+7	122,538	121,396	-1,142	11,142	11,253	+111	1,142,076	1,141,052	-1,024	1,000,000	114.1
Cordage fibers, abaca	Pound	153,001,444	152,603,636	-397,808							153,001,444	152,603,636	-397,808	150,000,000	101.7
Cordage fibers, sisal	do	322,384,317	318,120,551	-4,263,766							322,384,317	318,120,551	-4,263,766	320,000,000	99.4
Corundum	Short ton	2,008	2,008								2,008	2,008		2,000	100.4
Cotton	Pound	109,603,213	109,603,213								109,603,213	109,603,213		(2)	(2)
Cryolite	Short ton				34,859	34,481	-378				34,859	34,481	-378	(2)	(2)
Diamond dies	Piece	13,864	13,943	+79							13,864	13,943	+79	15,000	93.0
Diamond, industrial, crushing bort	Carat	31,113,411	31,113,411					5,023,749	5,023,749		36,137,160	36,137,160		30,000,000	120.5
Diamond, industrial, stones	do	9,164,644	9,164,644					14,186,783	14,266,438	+79,655	23,351,427	23,431,082	+79,655	18,000,000	130.2
Diamond tools	Piece	64,178	64,178								64,178	64,178		(2)	(2)
Feathers and down	Pound	10,594,248	10,219,509	-374,739							10,594,248	10,219,509	-374,739	8,800,000	116.1
Fluorspar, acid grade	Short dry ton	463,049	463,049		19,700	19,700		648,561	651,090	+2,529	1,131,310	1,133,839	+2,529	280,000	404.9
Fluorspar, metallurgical grade	do	369,443	369,443					42,800	42,800		412,243	412,243		375,000	109.9
Graphite, natural, Ceylon, amorphous lump	do	4,455	4,455					1,428	1,428		5,883	5,883		3,600	163.4
Graphite, natural, Madagascar, crystalline	do	34,581	34,581								34,581	34,581		17,200	201.1
Graphite, natural, other, crystalline	do	5,498	5,487	-11							5,498	5,487	-11	2,100	261.3
Hydrochloride of quinine	Ounce	1,474	1,474								1,474	1,474		(2)	(2)
Iyosine	do	5,615	5,615								5,615	5,615		2,100	187.4
Iodine	Pound	2,977,648	2,977,648								3,779,601	3,833,601	+54,000	4,300,000	89.2
Iridium	Troy ounce	13,937	13,937					801,953	855,953	+54,000	13,937	13,937		4,000	348.4
Jewel bearings	Piece	50,382,191	50,382,191								50,382,191	50,382,191		57,500,000	87.6
Kyanite-mullite	Short dry ton	10,090	10,090								10,090	10,090		4,800	210.2
Lead	Short ton	1,030,379	1,030,379		8,014	8,014		261,672	276,250	+14,578	1,320,065	1,334,642	+14,577	286,000	466.7
Magnesium	do	182,878	182,747	-131				182,878	182,747	-131	182,878	182,747	-131	107,000	170.8
Manganese, battery grade, natural ore	do	144,485	144,485					137,233	136,600	-633	281,717	281,085	-632	50,000	562.2
Manganese, battery grade, synthetic dioxide	Short dry ton	21,272	21,272		3,779	3,779					25,051	25,051		20,000	125.3
Manganese, chemical grade, type A	do	29,307	29,307					75,712	74,833	-879	105,019	104,140	-879	30,000	347.1
Manganese, chemical grade, type B	do	1,822	1,822					71,512	82,031	+10,519	73,334	83,853	+10,519	53,000	158.2
Manganese, metallurgical grade	do	5,853,633	5,853,638	+5	3,124,892	3,124,892		2,667,852	2,741,598	+73,746	11,646,377	11,720,128	+73,751	6,800,000	172.4
Mercury	Flask	130,892	130,892					16,000	16,000		146,892	146,892		110,000	133.5
Mica, muscovite block	Pound	11,644,440	11,644,440		6,312,104	6,328,198	+16,094	969,140	1,011,297	+42,157	18,925,684	18,983,935	+58,251	8,300,000	228.7
Mica, muscovite film	do	1,732,682	1,732,682		102,638	102,638		66,082	67,832	+1,750	1,901,402	1,903,152	+1,750	1,300,000	146.4
Mica, muscovite splittings	do	40,030,086	40,030,086					4,826,257	4,826,257		44,856,343	44,856,343		21,200,000	211.6
Mica, phlogopite block	do	223,126	223,126								223,126	223,126		17,000	1,312.5
Mica, phlogopite splittings	do	3,074,395	3,074,395					1,350,364	1,381,128	+30,764	4,424,759	4,455,523	+30,764	1,700,000	262.1
Molybdenum	do	84,305,078	84,064,941	-240,137							84,305,078	84,064,941	-240,137	59,000,000	142.5
Nickel	do	335,898,504	334,537,583	-1,360,921	101,953,641	99,664,576	-2,289,065				437,852,145	434,202,159	-3,649,986	323,000,000	134.4
Opium	do	195,757	195,757								195,757	195,757		172,800	113.3



Palladium.....	Troy ounce.....	89,811	89,811	7,884	7,884	648,124	648,124	745,819	745,819	340,000	219.4
Palm oil.....	Pound.....	34,208,740	34,208,740					34,208,740	34,208,740	(2)	(2)
Platinum.....	Troy ounce.....	720,813	720,813			50,000	49,999	770,812	770,812	165,000	467.2
Poppy seeds.....	Pound.....	1,586	1,586					1,586	1,586	(2)	(2)
Pyrethrum.....	do.....	66,188	66,188					66,188	66,188	66,000	100.3
Quartz crystals.....	Piece.....	5,708,609	5,686,570	-22,039		232,272	232,272	5,940,881	5,918,842	650,000	910.6
Quartz, processed.....	Ounce.....	16,900	12,100	-4,800				16,900	12,100	(2)	(2)
Quinidine.....	do.....	1,953,377	1,943,377	-10,000				1,953,377	1,943,377	1,600,000	121.5
Quinine.....	do.....	9,524,947	9,524,947					9,524,947	9,524,947	(2)	(2)
Rare earths.....	Short dry ton.....	10,042	10,042			7,254	4,431	17,296	14,473	5,700	253.9
Rare earths residue.....	Pound.....			6,085,570	6,085,570			6,085,570	6,085,570	(2)	(2)
Rhodium.....	Troy ounce.....	1,468	1,159	-309				1,468	1,159	(2)	(2)
Rubber.....	Long ton.....	1,089,592	1,086,363	-3,229				1,089,592	1,086,363	750,000	144.8
Ruthenium.....	Troy ounce.....					15,001	15,001	15,001	15,001	(2)	(2)
Rutile.....	Short dry ton.....	18,599	18,599	17,552	17,552	11,631	11,632	47,782	47,783	65,000	73.5
Sapphire and ruby.....	Carat.....	17,967,943	17,967,943					17,967,943	17,967,943	18,000,000	99.8
Selenium.....	Pound.....	97,100	97,100			156,518	156,518	253,618	253,618	400,000	63.4
Shellac.....	do.....	18,060,562	18,060,562					18,060,562	18,060,562	7,400,000	244.1
Silicon carbide, crude.....	Short ton.....	64,697	64,695			131,809	131,804	196,506	196,501	100,000	106.5
Silk noils and waste.....	Pound.....	3,510,439	3,480,633	-29,806				3,510,439	3,480,633	970,000	358.8
Silk, raw.....	do.....	113,515	113,515					113,515	113,515	120,000	94.6
Sperm oil.....	do.....	23,442,158	23,442,158					23,442,158	23,442,158	23,000,000	101.9
Talc, steatite block and lump.....	Short ton.....	1,291	1,289	-2				1,291	1,289	300	429.6
Talc, steatite ground.....	do.....	3,901	3,901					3,901	3,901	(2)	(2)
Tantalite.....	Pound.....	3,423,418	3,423,412	-6	1,531,366	1,531,366	8,036	4,962,820	4,962,814	2,420,000	205.1
Thorium.....	do.....				848,574	848,574	4,343,870	5,192,444	5,192,444	(2)	(2)
Tin.....	Long ton.....	340,793	340,791	-2	3,675	26	7,505	348,973	348,322	185,000	188.3
Titanium.....	Short ton.....				22,457	22,457	9,021	31,478	31,478	(2)	(2)
Totaquine.....	Ounce.....	7,654,416	7,654,416					7,654,416	7,654,416	(2)	(2)
Tungsten.....	Pound.....	119,946,604	119,971,341	+24,737	79,774,624	79,774,624	4,993,970	204,715,198	204,238,741	50,000,000	408.5
Tungsten carbide powder.....	do.....						345,000	893,635	893,635	(2)	(2)
Vanadium.....	do.....	16,163,456	16,163,456					16,163,456	16,163,456	2,000,000	808.2
Vegetable tannin extract, chestnut.....	Long ton.....	42,895	42,895					42,895	42,895	30,000	143.0
Vegetable tannin extract, quebracho.....	do.....	199,986	199,557	-429				199,986	199,557	180,000	110.9
Vegetable tannin extract, wattle.....	do.....	39,618	39,618					39,618	39,618	39,000	101.5
Zinc.....	Short ton.....	1,255,724	1,256,162	+438			323,897	1,579,621	1,580,059	178,000	887.6
Zirconium ore, baddeleyite.....	Short dry ton.....	16,533	16,533					16,533	16,533	(2)	(2)
Zirconium ore, zircon.....	do.....	10,966	10,552	-414				10,966	10,552	(2)	(2)

<sup>1</sup> For purposes of this table strategic and critical materials acquired primarily by barter of agricultural commodities under Public Law 480 are consolidated. These materials appear in regular monthly tabula-

tions of this series in 3 inventories: Agriculture price-support exchange inventory (in table 1), and the supplemental stockpile and inventory in transit reported by GSA (in table 2).

<sup>2</sup> No present objective.

<sup>3</sup> Includes Federal Facilities Corporation tin inventory.

TABLE 6.—Changes in the volume of strategic and critical materials in Federal stockpile inventories, by years, Dec. 31, 1959, through Feb. 28, 1962 (showing increases and decreases by commodities for the years 1960, 1961, and 1962 through Feb. 28, and net change over the period Dec. 31, 1959, through Feb. 28, 1962)

## PART A. SUMMARY

Commodity	Unit of measure	Inventory on hand				Increase (+) or decrease (—)			
		Dec. 31, 1959	Dec. 31, 1960	Dec. 31, 1961	Feb. 28, 1962	Dec. 31, 1959, to Dec. 31, 1960	Dec. 31, 1960, to Dec. 31, 1961	Dec. 31, 1961, to Feb. 28, 1962	Total, Dec. 31, 1959, to Feb. 28, 1962
Agar	Pound	112,444	48,081	13,293	1,943,304	-64,363	-34,788	-13,293	-112,444
Aluminum, metal	Short ton	1,814,231	1,881,222	1,935,960	1,943,304	+66,991	+54,738	+7,344	+129,073
Aluminum oxide, fused, crude	Short dry ton	309,357	367,990	378,359	378,359	+58,633	+10,369	—	+69,002
Antimony	Short ton	37,787	30,944	44,682	44,682	-6,843	+13,738	—	+6,895
Asbestos, amosite	Short ton	12,704	17,133	24,669	25,064	+4,429	+7,536	+1,295	+13,260
Asbestos, chrysotile	Short dry ton	12,640	12,640	13,872	13,897	—	+1,232	+25	+1,257
Asbestos, crocidolite	Short ton	2,418	6,260	12,783	13,784	+3,842	+6,523	+1,001	+11,366
Bauxite, metal grade, Jamaica type	Long dry ton	4,179,698	5,238,526	6,494,130	6,843,390	+1,058,828	+1,255,604	+349,260	+2,663,692
Bauxite, metal grade, Surinam type	do	5,543,579	6,524,807	6,984,706	7,419,905	+981,228	+459,899	+435,199	+1,876,326
Bauxite, refractory grade	Long calcined ton	299,373	299,373	299,279	299,279	—	-94	—	-94
Beryl	Short ton	32,190	35,485	36,845	36,893	+3,295	+1,360	+48	+4,703
Bismuth	Pound	2,511,626	2,861,985	2,861,943	3,115,943	+350,359	-42	+254,000	+604,317
Bristles, hog	do	912,451	476,510	8,217	8,217	-435,941	-468,293	—	-904,234
Cadmium	do	17,865,147	18,072,788	18,039,080	18,199,789	+207,641	-33,708	+160,709	+334,642
Castor oil	do	223,677,400	223,676,400	223,649,404	222,425,519	-1,000	-26,996	-1,223,885	-1,251,881
Celestite	Short dry ton	28,816	28,816	28,816	28,816	—	—	—	—
Chromite, chemical grade	do	621,698	752,656	960,413	1,000,622	+139,958	+207,757	+40,209	+378,924
Chromite, metallurgical grade	do	5,761,815	6,016,537	6,213,840	6,219,138	+254,722	+197,303	+5,298	+457,323
Chromite, refractory grade	do	1,199,790	1,216,117	1,226,934	1,226,934	+16,327	+10,817	—	+27,144
Cobalt	Pound	97,099,353	103,234,320	103,260,075	102,463,713	+6,134,967	+25,755	-790,362	+5,364,360
Coccolite	do	265,835,228	215,870,418	184,255,668	176,215,530	-49,964,810	-31,614,750	-8,040,138	-89,619,698
Colemanite	Long dry ton	44,233	66,680	67,636	67,636	+22,447	+966	—	+23,403
Columbium	Pound	18,598,784	18,319,590	18,502,071	18,495,159	-279,194	+182,481	-6,912	-103,625
Copper	Short ton	1,146,558	1,151,084	1,143,348	1,141,052	+4,526	-7,736	-2,296	-5,506
Corrugated fibers, abaca	Pound	168,378,591	156,162,677	153,173,530	152,603,636	-12,215,914	-2,989,147	-569,894	-15,774,955
Corrugated fibers, sisal	do	322,923,346	326,023,738	323,132,220	318,120,551	+3,100,392	-2,891,518	-5,011,669	-4,802,795
Corundum	Short ton	2,008	2,008	2,008	2,008	—	—	—	—
Cotton	Pound	109,798,794	109,789,223	109,615,001	109,603,213	-9,571	-174,222	-11,788	-195,581
Cryolite	Short ton	38,661	38,297	35,266	34,481	-364	-3,031	-785	-4,180
Diamond dies	Piece	8,730	12,493	13,864	13,943	+3,733	+1,371	+79	+5,213
Diamond, industrial, crushing bort	Carat	31,098,333	33,607,833	35,637,160	36,137,160	+2,509,500	+2,029,327	+500,000	+5,038,827
Diamond, industrial, stones	do	18,948,070	19,566,338	22,626,409	23,431,082	+618,268	+3,060,071	+804,673	+4,483,012
Diamonds, cuttable and gems	do	55,461	—	—	—	-55,461	—	—	-55,461
Diamonds, tools	Piece	64,178	64,178	64,178	64,178	—	—	—	—
Feathers and down	Pound	12,723,757	12,090,962	10,885,271	10,219,509	-632,796	-1,205,601	-665,762	-2,504,249
Fluorspar, acid grade	Short dry ton	935,620	1,000,197	1,107,994	1,133,839	+64,577	+107,797	+25,845	+198,219
Fluorspar, metallurgical grade	do	401,492	412,242	412,243	412,243	+10,750	—	—	+10,751
Graphite, lubricating	Short ton	533	242	—	—	-291	-242	—	-533
Graphite, natural, Ceylon, amorphous lump	Short dry ton	5,911	5,911	5,883	5,883	—	-28	—	-28
Graphite, natural, Madagascar, crystalline	do	34,580	34,583	34,585	34,581	+3	+2	-4	+1
Graphite, natural, other, crystalline	do	5,520	5,520	5,498	5,487	—	-22	-11	-33
Guayule seeds and seedlings	Pound	17,426	17,426	—	—	—	-17,426	—	-17,426
Hydrochloric acid of quinine	Ounce	1,871,759	1,872,464	1,474	1,474	+705	-1,870,990	—	-1,870,285
Hyoscyne	do	7,248	6,055	5,615	3,935	-593	-1,040	-1,680	-3,313
Iodine	Pound	3,219,956	3,219,901	3,280,452	3,833,001	-555	+60,851	+553,149	+613,445
Iridium	Troy ounce	13,938	13,938	13,937	13,937	-1	—	—	-1
Jewel bearings	Piece	47,758,426	49,031,095	50,382,191	50,382,191	+1,272,669	+1,351,090	—	+2,623,759
Kyanite-mullite	Short dry ton	15,790	12,121	10,090	10,090	-3,660	-2,031	—	-5,691
Lead	Short ton	1,279,558	1,280,133	1,302,118	1,334,642	+575	+21,985	+32,524	+55,084
Magnesium	do	186,469	184,837	183,073	182,747	-1,632	-1,764	-326	-3,722
Manganese, battery grade, natural ore	Short dry ton	179,067	179,066	273,896	281,085	—	+94,830	+7,189	+102,018
Manganese, battery grade, synthetic dioxide	do	25,051	25,051	25,051	25,051	—	—	—	—
Manganese, chemical grade, type A	do	29,397	56,179	103,355	104,140	+26,872	+47,176	+785	+74,833
Manganese, chemical grade, type B	do	42,760	31,426	72,784	83,853	-11,334	+41,358	+11,069	+41,093
Manganese, metallurgical grade	do	9,654,904	10,372,658	11,543,172	11,720,128	+717,754	+1,170,514	+170,956	+2,059,224
Mercury	Flask	146,903	146,910	146,892	146,892	+7	-18	—	-11
Mica, muscovite, block	Pound	17,056,219	18,089,323	18,832,395	18,983,935	+1,033,104	+143,072	+151,540	+1,327,716
Mica, muscovite film	do	1,832,549	1,845,859	1,898,150	1,903,152	+13,310	+52,291	+5,002	+70,603
Mica, muscovite splittings	do	44,856,907	44,867,219	44,856,365	44,856,343	+10,312	-10,854	-22	-542
Mica, phlogopite block	do	223,013	223,126	223,126	223,126	—	—	—	—
Mica, phlogopite splittings	do	3,274,470	3,327,538	4,227,920	4,455,523	+581,053	+900,382	+227,603	+1,711,038
Molybdenum	do	84,603,223	84,580,931	84,305,078	84,064,941	-22,292	-275,853	-240,137	-538,282
Nickel	do	486,366,337	462,139,973	440,062,355	434,202,159	-24,226,364	-22,077,618	-5,800,196	-52,104,178
Optum	do	195,194	195,757	195,757	195,757	+563	—	—	+563
Osmium	Troy ounce	27	27	—	—	—	-27	—	-27
Palladium	do	645,767	645,808	745,819	745,819	+41	+100,011	—	+100,052
Palm oil	Pound	37,609,878	35,151,494	34,208,780	34,208,740	-2,458,384	-942,714	-40	-3,401,138
Platinum	Troy ounce	718,170	722,738	770,812	770,812	+4,568	+48,074	—	+52,642
Poppy seeds	Pound	51,646	51,646	1,586	1,586	—	-50,060	—	-50,060
Pyrethrum	do	216,203	76,416	66,188	66,188	-139,847	-10,228	—	-150,075
Quartz crystals	do	5,880,511	5,946,789	5,940,861	5,918,842	+66,278	-5,928	-22,019	+38,331
Quartz, processed	Piece	7,622,267	7,622,304	6,288,087	12,100	+37	-1,334,217	-6,275,987	-7,610,167
Quinidine	Ounce	2,053,396	2,053,396	1,970,377	1,943,377	—	-82,989	-27,000	-109,989
Quinine	do	11,988,241	11,988,562	9,524,947	9,524,947	+321	-2,463,615	—	-2,463,294
Rare earths	Short dry ton	12,394	12,311	14,473	14,473	-83	+2,162	—	+2,079
Rare earths residue	Pound	5,550,903	6,085,845	6,085,570	6,085,570	+534,942	-275	—	+534,667
Rhodium	Troy ounce	3,145	3,326	2,047	1,159	+181	-1,279	-888	-1,986
Rubber	Long ton	1,207,546	1,123,129	1,091,936	1,086,363	-84,417	-31,163	-5,573	-121,153
Ruthenium	Troy ounce	15,052	15,052	15,001	15,001	—	-51	—	-51
Rutile	Short dry ton	26,286	61,166	81,756	47,783	+34,880	+20,590	-33,973	+21,497
Sapphire and ruby	Carat	18,008,723	17,907,943	17,907,943	17,907,943	—	—	—	—
Selenium	Pound	244,117	253,618	253,618	253,618	+9,501	—	—	+9,501
Shellac	do	18,068,952	17,433,874	18,060,562	18,060,562	-635,051	+626,688	—	-8,363
Silicon carbide, crude	Short ton	121,332	159,716	196,356	196,356	+36,040	—	+145	+36,185
Silk noils and waste	Pound	4,347,196	4,318,931	3,598,652	3,480,633	-28,265	-720,279	-118,019	-866,563
Silk, raw	do	209,191	68,980	113,515	113,515	-140,211	+44,535	—	-95,676
Sperm oil	do	23,442,158	23,442,158	23,442,158	23,442,158	—	—	—	—
Talc, steatite block and lump	Short ton	1,291	1,291	1,291	1,289	—	—	-2	-2
Talc, steatite ground	do	6,285	6,285	4,644	3,901	—	-1,641	-743	-2,384
Tantalite	Pound	3,248,514	4,959,918	4,962,820	4,962,814	+1,711,404	+2,902	-6	+1,714,300
Thorium	do	2,970,191	4,878,444	4,928,444	5,192,444	+1,908,253	+50,000	+264,000	+2,222,253
Tin	Long ton	347,190	352,270	349,498	348,322	+5,080	-2,772	-1,176	+1,132
Titanium	Short ton	27,870	10,797	10,784	31,478	-17,073	-13	+20,694	+3,608
Totaquine	Ounce	7,820,275	7,820,400	7,654,416	7,654,416	+125	-165,984	—	-165,859
Tungsten	Pound	203,729,924	204,150,338	204,938,827	204,238,741	+420,414	+788,489	-700,086	+508,817
Tungsten, carbide powder	do	—	—	—	893,635	—	—	+893,635	+893,635



TABLE 6.—Changes in the volume of strategic and critical materials in Federal stockpile inventories, by years, Dec. 31, 1959, through Feb. 28, 1962 (showing increases and decreases by commodities for the years 1960, 1961, and 1962 through Feb. 28, and net change over the period Dec. 31, 1959, through Feb. 28, 1962)—Continued

## PART A. SUMMARY—Continued

Commodity	Unit of measure	Inventory on hand				Increase (+) or decrease (-)			
		Dec. 31, 1959	Dec. 31, 1960	Dec. 31, 1961	Feb. 28, 1962	Dec. 31, 1959, to Dec. 31, 1960	Dec. 31, 1960, to Dec. 31, 1961	Dec. 31, 1961, to Feb. 28, 1962	Total, Dec. 31, 1959, to Feb. 28, 1962
Vanadium.....	do.	16,276,707	16,379,058	16,163,456	16,163,456	+102,351	-215,602	-----	-113,251
Vegetable tannin extract, chestnut.....	Long ton	42,858	42,856	42,895	42,895	-2	+39	-----	+37
Vegetable tannin extract, quebracho.....	do.	199,268	199,412	199,986	199,557	+144	+574	-429	+289
Vegetable tannin extract, wattle.....	do.	39,659	39,658	39,618	39,618	-1	-40	-----	-41
Zinc.....	Short ton	1,583,564	1,578,719	1,579,616	1,580,059	-4,845	+897	+443	-3,505
Zirconium ore, baddeleyite.....	Short dry ton	16,533	16,533	16,533	16,533	-----	-----	-----	-----
Zirconium ore, zircon.....	do.	15,902	14,620	11,222	10,552	-1,282	-3,398	-670	-5,350

## PART B. NATIONAL STOCKPILE

Agar.....	Pound	112,444	48,081	13,293	-----	-64,363	-34,788	-13,293	-112,444
Aluminum, metal.....	Short ton	1,123,910	1,127,051	1,129,004	1,129,008	+3,141	+1,933	+4	+5,098
Aluminum oxide, fused, crude.....	Short dry ton	200,093	200,093	200,093	200,093	-----	-----	-----	-----
Antimony.....	Short ton	30,306	30,306	30,301	30,301	-----	-5	-----	-5
Asbestos, amosite.....	do.	11,705	11,705	11,705	11,705	-----	-----	-----	-----
Asbestos, chrysotile.....	Short dry ton	5,771	5,771	5,992	6,017	-----	+221	+25	+246
Asbestos, crocidolite.....	Short ton	1,568	1,567	1,567	1,567	-1	-----	-----	-1
Bauxite, metal grade, Jamaica type.....	Long dry ton	879,740	879,740	879,740	879,740	-----	-----	-----	-----
Bauxite, metal grade, Surinam type.....	do.	4,973,386	4,967,296	4,965,317	4,965,208	-6,090	-1,979	-109	-8,178
Bauxite, refractory grade.....	Long calcined ton	299,373	299,373	299,279	299,279	-----	-94	-----	-94
Beryl.....	Short ton	23,227	23,233	23,233	23,233	+6	-----	-----	+6
Bismuth.....	Pound	1,342,402	1,342,402	1,342,402	1,342,402	-----	-----	-----	-----
Bristles, hog.....	do.	912,451	476,510	8,217	8,217	-435,941	-468,293	-----	-904,234
Cadmium.....	do.	11,433,531	11,464,172	10,991,767	10,987,173	+30,641	-472,405	-4,594	-446,358
Castor oil.....	do.	223,677,400	223,676,400	223,649,404	222,425,519	-1,000	-26,996	-1,223,885	-1,251,881
Celestine.....	Short dry ton	28,816	28,816	28,816	28,816	-----	-----	-----	-----
Chromite, chemical grade.....	do.	562,992	559,452	559,452	559,452	-3,540	-----	-----	-3,540
Chromite, metallurgical grade.....	do.	3,797,367	3,798,835	3,800,177	3,800,052	+1,468	+1,342	-125	+2,685
Chromite, refractory grade.....	do.	1,047,159	1,047,159	1,047,159	1,047,159	-----	-----	-----	-----
Cobalt.....	Pound	75,381,311	76,970,515	76,974,610	76,178,248	+1,589,204	+4,095	-796,362	+796,937
Coconut oil.....	do.	265,835,228	215,870,418	184,255,668	176,215,590	-49,964,810	-31,614,750	-8,040,138	-89,619,698
Columbium.....	do.	7,488,681	7,488,797	7,488,797	7,488,797	+116	+2	-4	+114
Copper.....	Short ton	1,001,115	1,007,055	1,008,996	1,008,403	+5,940	+1,941	-593	+7,288
Cordege fibers, abaca.....	Pound	168,378,591	156,162,677	153,173,530	152,603,636	-12,215,914	-2,989,147	-569,894	-15,774,955
Cordege fibers, sisal.....	do.	322,928,346	320,023,738	323,132,220	318,120,551	+3,100,392	-2,891,518	-5,011,669	-4,802,795
Corundum.....	Short ton	2,008	2,008	2,008	2,008	-----	-----	-----	-----
Cotton.....	Pound	109,798,794	109,789,223	109,615,001	109,603,213	-9,571	-174,222	-11,788	-195,581
Diamond dies.....	Piece	8,730	12,493	13,864	13,864	+3,763	+1,371	+79	+5,213
Diamond, industrial, crushing bort.....	Carat	31,088,333	31,088,333	31,113,411	31,113,411	-----	+15,078	-----	+15,078
Diamond, industrial, stones.....	do.	9,041,849	9,041,849	9,164,644	9,164,644	-----	+122,795	-----	+122,795
Diamonds, cuttables and gems.....	do.	55,461	-----	-----	-----	-55,461	-----	-----	-55,461
Diamonds, tools.....	Piece	64,197	64,178	64,178	64,178	-19	-----	-----	-19
Feathers and down.....	Pound	12,728,758	12,090,962	10,885,271	10,219,509	-632,796	-1,205,691	-665,762	-2,504,249
Fluorspar, acid grade.....	Short dry ton	463,051	463,051	463,049	463,049	-----	-2	-----	-2
Fluorspar, metallurgical grade.....	do.	369,443	369,443	369,443	369,443	-----	-----	-----	-----
Graphite, natural, Ceylon, amorphous lump.....	do.	4,483	4,483	4,455	4,455	-----	-28	-----	-28
Graphite, natural, Madagascar, crystalline.....	do.	34,580	34,583	34,585	34,581	+3	+2	-4	+1
Graphite, natural, other, crystalline.....	do.	5,520	5,520	5,498	5,487	-----	-22	-----	-33
Guayule seeds and seedlings.....	Pound	17,426	17,426	-----	-----	-----	-17,426	-11	-17,426
Hydrochloride of quinine.....	Ounce	1,871,759	1,872,464	1,474	1,474	+705	-1,870,900	-----	-1,870,285
Hyoscine.....	do.	7,248	6,655	5,615	3,935	-593	-1,040	-1,680	-3,313
Iodine.....	Pound	2,978,003	2,977,648	2,977,648	2,977,648	-355	-----	-----	-355
Iridium.....	Troy ounce	13,920	13,938	13,937	13,937	+18	-1	-----	+17
Jewel bearings.....	Piece	47,758,426	49,031,095	50,382,191	50,382,191	+1,272,669	+1,351,096	-----	+2,623,765
Kyanite-mullite.....	Short dry ton	15,790	12,121	10,090	10,090	-3,669	-2,031	-----	-5,700
Lead.....	Short ton	1,049,552	1,050,126	1,050,379	1,050,378	+574	+253	-1	+826
Magnesium.....	do.	186,469	184,837	183,073	182,747	-1,632	-1,764	-326	-3,722
Manganese, battery grade, natural ore.....	Short dry ton	144,485	144,485	144,485	144,485	-----	-----	-----	-----
Manganese, battery grade, synthetic dioxide.....	do.	21,272	21,272	21,272	21,272	-----	-----	-----	-----
Manganese, chemical grade, type A.....	do.	29,307	29,307	29,307	29,307	-----	-----	-----	-----
Manganese, chemical grade, type B.....	do.	1,822	1,822	1,822	1,822	-----	-----	-----	-----
Manganese, metallurgical grade.....	do.	5,713,820	5,713,859	5,853,613	5,853,638	+39	+139,754	+25	+139,818
Mercury.....	Flask	130,903	130,910	130,892	130,892	+7	-18	-----	-11
Mica, muscovite block.....	Pound	11,607,812	11,595,685	11,644,440	11,644,440	-12,127	+48,755	-----	+36,628
Mica, muscovite film.....	do.	1,712,912	1,712,300	1,732,682	1,732,682	-612	+20,382	-----	+19,770
Mica, muscovite, splittings.....	do.	40,030,650	40,040,962	40,030,108	40,030,086	+10,312	-10,854	-22	-564
Mica, phlogopite block.....	do.	223,013	223,126	223,126	223,126	+113	-----	-----	+113
Mica, phlogopite splittings.....	do.	3,077,460	3,071,948	3,074,395	3,074,395	-5,512	+2,447	-----	-3,065
Molybdenum.....	do.	84,003,223	84,580,931	84,305,078	84,064,941	-22,292	-275,853	-240,137	-538,282
Nickel.....	do.	336,572,739	336,774,940	335,898,504	334,537,583	+202,201	-876,436	-1,360,921	-2,035,156
Opium.....	Troy ounce	195,164	195,757	195,757	195,757	+563	-----	-----	+563
Osmium.....	do.	27	27	-----	-----	-----	-27	-----	-27
Palladium.....	do.	89,770	89,811	89,811	89,811	+41	-----	-----	+41
Palm oil.....	Pound	37,608,878	35,151,494	34,208,780	34,208,740	-2,458,384	-942,714	-40	-3,401,138
Platinum.....	Troy ounce	718,170	722,738	720,813	720,813	+4,568	-1,925	-----	+2,643
Poppy seeds.....	Pound	51,646	51,646	1,586	1,586	-----	-50,060	-----	-50,060
Pyrethrum.....	do.	216,263	76,416	66,188	66,188	-139,847	-10,228	-----	-150,075
Quartz crystals.....	do.	5,724,827	5,738,736	5,708,609	5,686,570	+13,909	-30,127	-22,039	-38,257
Quartz, processed.....	Piece	7,622,267	7,622,304	6,288,087	12,100	+37	-1,334,217	-6,275,987	-7,610,167
Quinidine.....	Ounce	2,053,366	2,053,366	1,970,377	1,943,377	-----	-82,989	-27,000	-109,989
Quinine.....	do.	11,988,241	11,988,562	9,524,947	9,524,947	+321	-2,463,615	-----	-2,463,294
Rare earths.....	Short dry ton	10,168	10,085	10,042	10,042	-83	-43	-----	-126
Rhodium.....	Troy ounce	3,145	3,326	2,047	1,159	+181	-1,279	-888	-1,986
Rubber.....	Long ton	1,207,546	1,123,129	1,091,936	1,086,363	-84,417	-31,193	-5,573	-121,183
Ruthenium.....	Troy ounce	51	51	-----	-----	-----	-51	-----	-51
Rutile.....	Short dry ton	18,593	18,599	18,599	18,599	+6	-----	-----	+6
Sapphire and ruby.....	Carat	18,003,723	17,967,943	17,967,943	17,967,943	-35,780	-----	-----	-35,780
Selenium.....	Pound	97,100	97,100	97,100	97,100	-----	-----	-----	-----
Shellac.....	do.	18,068,925	17,433,874	18,060,562	18,060,562	-635,051	+626,688	-----	-8,363
Silicon carbide, crude.....	Short ton	64,697	64,697	64,697	64,697	-----	-----	-----	-----
Silk noils and waste.....	Pound	4,347,196	4,318,931	3,598,652	3,480,633	-28,265	-720,279	-118,019	-866,563
Silk, raw.....	do.	209,191	68,980	113,515	113,515	-140,211	+44,535	-----	-95,676
Sperm oil.....	do.	23,442,158	23,442,158	23,442,158	23,442,158	-----	-----	-----	-----

TABLE 6.—Changes in the volume of strategic and critical materials in Federal stockpile inventories, by years, Dec. 31, 1959, through Feb. 28, 1962 (showing increases and decreases by commodities for the years 1960, 1961, and 1962 through Feb. 28, and net change over the period Dec. 31, 1959, through Feb. 28, 1962)—Continued

## PART B. NATIONAL STOCKPILE—Continued

Commodity	Unit of measure	Inventory on hand				Increase (+) or decrease (—)			
		Dec. 31, 1959	Dec. 31, 1960	Dec. 31, 1961	Feb. 28, 1962	Dec. 31, 1959, to Dec. 31, 1960	Dec. 31, 1960, to Dec. 31, 1961	Dec. 31, 1961, to Feb. 28, 1962	Total, Dec. 31, 1959, to Feb. 28, 1962
Talc, steatite block and lump	Short ton	1,291	1,291	1,291	1,289			-2	-2
Talc, steatite ground	do	6,285	6,285	4,644	3,901		-1,641	-743	-2,384
Tantalite	Pound	2,323,292	3,423,255	3,423,418	3,423,412	+1,099,963	+163	-6	+1,100,120
Tin	Long ton	340,820	340,833	340,792	340,791	+13	-41	-1	-29
Totaquine	Ounce	7,820,275	7,820,400	7,654,416	7,654,416	+125	-165,984		-165,859
Tungsten	Pound	119,434,783	119,856,531	119,949,706	119,971,341	+421,748	+93,175	+21,635	+536,558
Vanadium	do	16,276,707	16,379,058	16,163,456	16,163,456	+102,351	-215,602		-113,251
Vegetable tannin extract, chestnut	Long ton	42,858	42,856	42,895	42,895	-2	+39		+37
Vegetable tannin extract, quebracho	do	199,268	199,412	199,986	199,557	+144	+574	-429	+289
Vegetable tannin extract, wattle	do	39,659	39,658	39,618	39,618	-1	-40		-41
Zinc	Short ton	1,261,477	1,254,794	1,255,719	1,256,162	-6,683	+925	+443	-5,315
Zirconium ore, baddeleyite	Short dry ton	16,533	16,533	16,533	16,533				
Zirconium ore, zircon	do	15,902	14,620	11,222	10,552	-1,282	-3,398	-670	-5,350

## PART C. DEFENSE PRODUCTION ACT INVENTORY

Aluminum, metal	Short ton	690,321	750,171	806,956	814,296	+63,850	+52,785	+7,340	+123,975
Asbestos, chrysotile	Short dry ton	2,348	2,348	2,348	2,348				
Bauxite, metal grade, Jamaica type	Long dry ton	1,370,077	1,370,077	1,370,077	1,370,077				
Beryl	Short ton	1,759	1,976	2,292	2,341	+217	+316	+49	+582
Bismuth	Pound	22,901	22,901	22,901	22,901				
Chromite, metallurgical grade	Short dry ton	788,431	890,518	985,646	985,646	+102,087	+95,128		+197,215
Cobalt	Pound	20,641,024	25,168,787	25,208,447	25,208,447	+4,545,763	+21,660		+4,567,423
Columbium	do	11,067,884	10,618,126	10,624,357	10,617,449	-449,758	-6,231	-6,908	-450,435
Copper	Short ton	136,228	133,462	123,099	121,396	-2,766	-10,363	-1,703	-14,832
Cryolite	do	38,661	38,297	35,266	34,481	-364	-3,031	-785	-4,180
Fluorspar, acid grade	Short dry ton	19,700	19,700	19,700	19,700				
Graphite, lubricating	Short ton	533	242			-291	-242		-533
Lead	do	8,014	8,014	8,014	8,014				
Manganese, battery grade, synthetic dioxide	Short dry ton	3,779	3,779	3,779	3,779				
Manganese, metallurgical grade	do	2,837,955	3,030,597	3,124,904	3,124,892	+192,642	+94,307	-12	+286,937
Mica, muscovite block	Pound	5,185,827	6,053,638	6,289,122	6,328,198	+867,811	+235,484	+39,076	+1,142,371
Mica, muscovite film	do	92,973	104,487	102,718	102,638	+11,514	-1,769	-80	+9,665
Nickel	do	149,793,598	125,365,033	104,163,851	99,064,576	-24,428,565	-21,201,182	-4,499,225	-50,129,022
Palladium	Troy ounce	7,884	7,884	7,884	7,884				
Rare earths residue	Pound	5,550,903	6,085,456	6,085,570	6,085,570	+534,942	-275		+534,667
Rutile	Short dry ton	7,693	28,536	37,169	17,552	+20,843	+8,633	-19,617	+9,859
Tantalite	Pound	925,222	1,528,627	1,531,366	1,531,366	+603,405	+2,739		+606,144
Thorium	do	720,191	848,574	848,574	848,574	+128,383			+128,383
Tin <sup>1</sup>	Long ton	4,470	3,933	1,201	26	-557	-2,732	-1,175	-4,444
Titanium	Short ton	22,474	10,797	10,784	22,457	-11,677	-13	+11,673	-17
Tungsten	Pound	79,810,541	79,809,207	79,791,280	79,774,624	-1,334	-17,927	-16,656	-35,917

PART D. SUPPLEMENTAL AND CCC BARTER STOCKPILE<sup>2</sup>

Aluminum oxide, fused, crude	Short dry ton	109,264	167,879	178,266	178,266	+58,633	+10,369		+69,002
Antimony	Short ton	7,481	9,638	14,331	15,123	+2,157	+4,693	+792	+7,642
Asbestos, amosite	do	999	5,428	12,964	14,259	+4,429	+7,539	+1,295	+13,260
Asbestos, chrysotile	Short dry ton	4,521	4,521	5,532	5,532		+1,011		+1,011
Asbestos, crocidolite	Short ton	850	4,693	11,216	12,217	+3,843	+6,523	+1,001	+11,367
Bauxite, metal grade, Jamaica type	Long dry ton	1,929,881	2,988,709	4,244,313	4,593,573	+1,068,828	+1,255,604	+349,260	+2,693,692
Bauxite, metal grade, Surinam type	do	570,193	1,557,511	2,019,389	2,454,697	+987,318	+461,878	+435,308	+1,884,504
Beryl	Short ton	7,204	10,276	11,320	11,319	+3,072	+1,044	-1	+4,115
Bismuth	Pound	1,146,323	1,496,682	1,496,640	1,750,640	+350,359	-42	+254,000	+604,317
Cadmium	do	6,431,616	6,008,616	7,047,313	7,212,616	+177,000	+438,697	+165,303	+781,000
Chromite, chemical grade	Short dry ton	58,706	193,204	400,961	441,170	+134,398	+207,757	+40,209	+382,464
Chromite, metallurgical grade	do	1,176,017	1,327,184	1,428,017	1,433,440	+151,167	+100,833	+5,423	+257,423
Chromite, refractory grade	do	152,631	168,958	179,775	179,775	+16,327	+10,817		+27,144
Cobalt	Pound	1,077,018	1,077,018	1,077,018	1,077,018				
Colemanite	Long dry ton	44,233	66,680	67,636	67,636	+22,447	+956		+23,403
Columbium	Pound	42,219	212,067	388,915	388,915	+170,448	+176,248		+346,696
Copper	Short terms	9,215	10,567	11,253	11,253	+1,332	+686		+2,038
Diamond, industrial, crushing bort	Carat	2,509,500	4,523,749	5,023,749	5,023,749	+2,509,500	+2,014,249	+500,000	+5,023,749
Diamond, industrial, stones	do	9,906,221	10,524,489	13,461,765	14,266,438	+618,268	+2,937,276	+804,673	+4,360,217
Fluorspar, acid grade	Short dry ton	452,869	517,446	625,245	651,090	+64,577	+107,799	+25,845	+198,221
Fluorspar, metallurgical grade	do	32,049	42,799	42,800	42,800	+10,750	+1		+10,751
Graphite, natural, Ceylon, amorphous lump	do	1,428	1,428	1,428	1,428				
Iodine	Pound	241,953	241,953	302,804	855,953		+60,851	+553,149	+614,000
Lead	Short ton	221,992	221,993	243,725	276,250	+1	+21,732	+32,525	+54,258
Manganese, battery grade, natural ore	Short dry ton	34,582	34,581	129,411	136,600	-1	+94,830	+7,189	+102,018
Manganese, chemical grade, type A	do		26,872	74,048	74,833	+26,872	+47,176	+7,785	+74,833
Manganese, chemical grade, type B	do	40,938	29,604	70,962	82,031	-11,334	+41,358	+11,069	+41,093
Manganese, metallurgical grade	do	1,103,129	1,628,202	2,561,655	2,741,598	+525,073	+936,453	+176,943	+1,638,469
Mercury	Flask	16,000	16,000	16,000	16,000				
Mica, muscovite block	Pound	262,580	440,000	898,833	1,011,297	+177,420	+458,833	+112,464	+748,717
Mica, muscovite film	do	26,664	29,072	62,750	67,832	+2,408	+33,678	+5,082	+41,168
Mica, muscovite splittings	do	4,826,257	4,826,257	4,826,257	4,826,257				
Mica, phlogopite splittings	do	197,010	255,590	1,153,525	1,381,128	+58,580	+897,935	+227,603	+1,184,113
Palladium	Troy ounce	548,113	548,113	648,124	648,124		+100,011		+100,011
Platinum	do			49,999	49,999		+49,999		+49,999
Quartz crystals	Pound	155,684	208,053	232,252	232,272	+52,369	+24,199	+20	+76,588
Rare earths	Short dry ton	2,226	2,226	4,431	4,431		+2,205		+2,205
Ruthenium	Troy ounce	15,001	15,001	15,001	15,001				
Rutile	do		14,031	25,988	11,632	+14,031	+11,957	-14,356	+11,632
Selenium	Pound	147,017	156,518	156,518	156,518	+9,501			+9,501
Silicon carbide, crude	Short ton	56,635	95,019	131,659	131,804	+38,384	+36,640	+145	+75,169
Tantalite	Pound		8,036	8,036	8,036				+8,036
Thorium	do	2,250,000	4,029,870	4,079,870	4,343,870	+1,773,870	+50,000	+264,000	+2,093,870
Tin	Long ton	1,900	7,504	7,505	7,505	+5,604	+1		+5,605
Titanium	Short ton	5,396			9,021	-5,396		+9,021	+3,625
Tungsten	Pound	4,484,600	4,484,600	5,197,841	4,492,776		+713,241	-705,065	+8,176
Tungsten carbide powder	do				893,635			+893,635	+893,635
Zinc	Short ton	322,087	323,925	323,897	323,897	+1,838	-28		+1,810

<sup>1</sup> Includes Federal Facilities Corporation tin inventory.

<sup>2</sup> For purposes of this table, strategic and critical materials acquired primarily by barter of agricultural commodities under Public Law 480 are consolidated. These

materials appear in regular monthly tabulations of this series in 3 inventories: Agriculture price-support exchange inventory (in table 1), and the supplemental stockpile and inventory in transit reported by GSA (in table 2).



APPENDIX  
U.S. DEPARTMENT OF AGRICULTURE  
*Commodity Credit Corporation*  
The Price-Support Program

Price-support operations are carried out under the Corporation's charter powers (15 U.S.C. 714), in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities; namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1962. Price support for other nonbasic agricultural commodities is discretionary except that, whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producer's commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgage collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

The major effect on the budgetary expenditures is represented by the disbursements for presupport loans. The largest part of the commodity acquisitions under the program result from the forfeiting of commodities pledged as loan collateral for which the expenditures occurred at the time of making the loan, rather than at the time of acquiring the commodities.

Dispositions of commodities acquired by the Corporation in its price-support operations are made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691), title I of the Agricultural Act of 1954, title II of the Agricultural Act of 1956, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour, and the act of September 21, 1959, with regard to sales of livestock feed in emergency areas.

GENERAL SERVICES ADMINISTRATION  
*Strategic and critical materials stockpiling and related programs*

1. National Stockpile

The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h) provides for the establishment and maintenance of a national stockpile of strategic and critical materials. GSA is responsible for making

purchases of strategic and critical materials and providing for their storage, security, and maintenance. These functions are performed in accordance with directives issued by the Director of the Office of Emergency Planning. The act also provides for the transfer from other Government agencies of strategic and critical materials which are excess to the needs of such other agencies and are required to meet the stockpile objectives established by OEP. In addition, GSA is responsible for disposing of those strategic and critical materials which OEP determines to be no longer needed for stockpile purposes.

General policies for strategic and critical materials stockpiling are contained in DMO V-7, issued by the Director of the Office of Emergency Planning and published in the Federal Register of December 19, 1959 (24 F.R. 10309). Portions of this order relate also to Defense Production Act inventories.

2. Tin Received From Federal Facilities Corporation

Public Law 608, 84th Congress (50 U.S.C. 98 note), provided, among other things, for the continuation of operation of the Government-owned tin smelter at Texas City, Tex., from June 30, 1956, until January 31, 1957. It provided also that all tin acquired by the Federal Facilities Corporation by reason of such extension should be transferred to GSA.

3. Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, GSA is authorized to make purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale, in order to expand productive capacity and supply, and also to store the materials acquired as a result of such purchases or commitments. Such functions are carried out in accordance with programs certified by the Director of the Office of Emergency Planning.

4. National Industrial Equipment Reserve

Under general policies established and directives issued by the Secretary of Defense, General Services Administration is responsible for the care, maintenance, utilization, transfer, leasing, lending to non-profit schools, disposal, transportation, repair, restoration, and renovation of national industrial reserve equipment transferred to GSA under the National Industrial Reserve Act of 1948 (50 U.S.C. 451-462).

5. Supplemental Stockpile

As a result of a delegation of authority from OEP (32A C.F.R., ch. I, DMO V-4) GSA is responsible for the maintenance and storage of materials placed in the supplemental stockpile. Section 206 of the Agricultural Act of 1956 (7 U.S.C. 1856) provides that strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural products, unless acquired for the national stockpile or for other purposes, shall be transferred to the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)). In addition to the materials which have been or may be so acquired, the materials obtained under the programs established pursuant to the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 (50 U.S.C. App. 2191-2195), which terminated December 31, 1958, have been transferred to the supplemental stockpile, as authorized by the provisions of said Production and Purchase Act.

DEPARTMENT OF DEFENSE

*Civil defense stockpile program*

This stockpiling program, conducted pursuant to section 201(h) of Public Law 920, 81st Congress, as amended, is designed to provide some of the most essential materials

to minimize the effects upon the civilian population which would be caused by an attack upon the United States. Supplies and equipment normally unavailable, or lacking in quantity needed to cope with such conditions, are stockpiled at strategic locations in a nationwide warehouse system consisting of general storage facilities.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

*Civil Defense medical stockpile program*

As authorized under Public Law 920, 81st Congress, and following the intent of Reorganization Plan No. 1, 1958, the Director, Office of Emergency Planning has delegated responsibility to the Department of Health, Education, and Welfare to plan and direct operation of the medical supply portion of the OEP stockpile. The warehousing of the medical stockpile is principally within the OEP warehouse system; in addition, the medical stockpile includes a program designed to preposition emergency hospitals and other treatment units in communities throughout the Nation.

EXPLANATORY NOTES RELATING TO THE REPORTING OF STRATEGIC AND CRITICAL MATERIALS ACQUIRED BY EXCHANGE OR BARTER OF AGRICULTURAL COMMODITIES

Surplus agricultural commodities in the Commodity Credit Corporation's price-support inventory may be exchanged or bartered for strategic and critical materials under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), and other basic legislation including the CCC Charter Act, as amended, the Agricultural Act of 1954, and the Agricultural Act of 1956.

Except for small amounts which may go to the national stockpile, the strategic and critical materials acquired by Commodity Credit Corporation under the barter program are transferred to the supplemental stockpile.

Direct appropriations reimburse Commodity Credit Corporation for materials so transferred from the price-support inventory.

The General Services Administration is charged with the custody and management of strategic and critical materials, and becomes the responsible reporting agency when title to these bartered materials is placed in the supplemental stockpile.

For purposes of this report, strategic and critical materials acquired by barter may appear in three inventories, reflecting the stages of the transfer of title.

1. The Department of Agriculture reports those to which the Commodity Credit Corporation still has title, prior to transfer to the supplemental stockpile.

2. The General Services Administration reports those which have been transferred from the Commodity Credit Corporation exchange inventory to two parts:

A. Materials for which title is "in transit" from Commodity Credit Corporation to the supplemental stockpile.

B. Materials for which title has passed to the supplemental stockpile.

[Order by Office of Emergency Planning declassifying certain stockpile data]

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF EMERGENCY PLANNING

*Declassification of certain stockpile data*

Pursuant to Executive Order 10501, as amended, and after consultation with the heads of the agencies concerned, I have found that materials objectives determined and materials inventories acquired under the acts of June 7, 1939, and July 23, 1946, are not official information affecting the national defense within the meaning of that order, and the amounts thereof are hereby determined to be unclassified.

Dated April 6, 1962.

EDWARD A. McDERMOTT,  
Acting Director.

## STATEMENT BY SENATOR BYRD OF VIRGINIA

The cost value of strategic and critical materials stockpiled by the Federal Government was increased by \$1,435,000 during the month of February. The total figure was raised during the month from \$8,741,745,000 to \$8,743,181,000.

Strategic and critical materials stored under Federal stockpiling programs are recorded in six stockpile inventories, including three for materials of these types acquired under the supplemental-barter program.

All of the net increase in cost value of strategic and critical materials during February resulted from acquisitions under the supplemental-barter program. The net increase in this program alone was \$12,588,000, and this more than offset decreases in other strategic and critical materials inventories.

Other stockpile inventories of strategic and critical materials include the national stockpile, the Defense Production Act stockpile, and the Federal Facilities Corporation tin inventory.

There are 48 materials in the supplemental-barter stockpile inventories, and official reports since December 31, 1959, show a highly consistent record of net increases in volume during this period. Over these 26 months the volume of 43 materials has been increased; there was no net change in 5 materials; and there were no net reductions.

## MAXIMUM OBJECTIVES

Overall, there are now 98 materials stockpiled in the strategic and critical inventories. Since December 31, 1959, the volume of 51 of these materials has been increased; there has been no net change in 5 materials, and there have been net decreases in 42 materials. Over this period five other materials have been completely disposed of.

National maximum objectives in volume are presently fixed for 76 of the 98 materials in the strategic and critical inventories. Among the 76 materials (in all grades), 65 are now stockpiled in excess of maximum objectives. Materials stockpiled under the supplemental-barter program in February were contributing to these excesses in 36 items.

These facts are to be found in official Federal stockpile figures compiled and reported today by the Joint Committee on Reduction of nonessential Federal Expenditures which has been making monthly reports on the cost value and volume of materials in all Federal stockpiles since December 1959.

Detailed information with respect to the strategic and critical materials in the so-called national stockpile previously has been classified as secret; and for this reason the committee's reports in the past have carried only total figures for this inventory.

When the President, in his press conference of January 31, said the excess of strategic and critical materials in the stockpiles should be reduced, the chairman of this committee suggested that declassification of national stockpile information might be helpful in this direction.

The Office of Emergency Planning, on April 6, removed the secret classification from the national stockpile detail, and the committee's February report for the first time carries volume and cost value figures for all 98 strategic and critical materials in Federal stockpiles.

With the information now available on strategic and critical materials in all six stockpile inventories which include them, the committee's report for February carries two additional tables showing:

1. The volume of strategic and critical materials inventories (all grades), as compared with maximum objectives; and
2. The changes in volume of each item stockpiled, since December 31, 1959.

## OTHER FEDERAL STOCKPILES

In addition to so-called strategic and critical items, the Federal Government stockpiles other materials, including agricultural surpluses under the price support program in the Department of Agriculture, machine tools under the General Services Administration, and acquisitions for civil defense under the Departments of Defense and Health, Education, and Welfare.

The cost value of materials in all 10 stockpile inventories, including the 6 which store strategic and critical items, at the end of February totaled \$13,773,104,000. This figure was \$216,329,000 less than the total at the beginning of the month.

Increases and decreases in the 10 stockpile inventories during February are summarized as follows:

[In thousands]

Inventory	Cost value, February 1962	
	Net change during month	Total, end of month
Strategic and critical materials:		
Supplemental barter:		
Supplemental stockpile	+ \$62,713	\$1,100,604
Price support exchange commodities	- 29,326	48,923
In transit to supplemental stockpile	- 20,799	39,571
Subtotal, supplemental barter	+ 12,588	1,189,098
National stockpile	- 7,763	6,075,719
Defense Production Act	- 1,819	1,478,301
Federal Facilities Corporation	- 1,571	63
Subtotal, strategic and critical materials	+ 1,435	8,743,181
Agricultural commodities:		
Price support program	- 218,876	4,745,511
Civil defense supplies and equipment:		
Department of Defense	+ 55	21,592
Department of Health, Education, and Welfare	+ 549	170,761
Subtotal, civil defense supplies and equipment	+ 604	192,353
Machine tools (under the Defense Production Act and the National Industrial Reserve Act)	+ 508	92,060
Grand total	- 216,329	13,773,104

## EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

Edward J. Gosler, of New York, to be collector of customs for customs collection district No. 7, with headquarters at Ogdensburg, N.Y.

John W. Crimmins, of Kentucky, to be collector of customs for customs collection district No. 42, with headquarters at Louisville, Ky.

Mrs. Marion F. Baker, of Georgia, to be collector of customs for customs collection district No. 17, with headquarters at Savannah, Ga.; and

Paul E. McNamara, of New York, to be collector of customs for customs collection district No. 8, with headquarters at Rochester, N.Y.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 3367. A bill to amend the Internal Revenue Code of 1954 so as to include reserves on certain contracts purchased to provide retirement annuities for public school employees within the definition of pension plan reserves; to the Committee on Finance.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE:

S. 3368. A bill for the relief of Millie Gail Mesa; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3369. A bill to amend the Federal Aviation Act of 1958 in order to provide that it shall be unlawful, within the confines of any Federal airport or any airport for which

funds have been granted under the provisions of the Federal Airport Act, to sell certain flight insurance in an amount in excess of \$10,000 on the life of any individual; to the Committee on Commerce.

By Mr. HICKEY (for himself and Mr. McGEE):

S. 3370. A bill to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HICKEY when he introduced the above bill, which appear under a separate heading.)

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 3371. A bill for the relief of Dr. James T. Maddux; to the Committee on the Judiciary.

By Mr. JORDAN (for himself and Mr. ERVIN):

S. 3372. A bill for the relief of Anastasios C. Triantaphyllou; to the Committee on the Judiciary.

## AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO CERTAIN RESERVES TO PROVIDE RETIREMENT FOR PUBLIC SCHOOL EMPLOYEES

Mr. WILEY. Mr. President, I introduce a bill to amend the Internal Revenue Code of 1954 so as to include reserves on certain contracts purchased to provide retirement annuities for public school employees within the definition of pension plan reserves. I ask unanimous consent that the bill be printed in the RECORD, and appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.



The bill (S. 3367) to amend the Internal Revenue Code of 1954 so as to include reserves on certain contracts purchased to provide retirement annuities for public school employees within the definition of pension plan reserves, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 805(d)(1) of the Internal Revenue Code of 1954 (relating to definition of pension plan reserves) is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; or "; and

(3) by adding after subparagraph (D) the following new subparagraph:

"(E) purchased to provide retirement annuities for employees described in section 403(b)(1)(A)(ii) by an employer which is a State, a political subdivision of a State, or an agency or instrumentality of any one or more of the foregoing."

(b) The amendment made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

#### JURISDICTION OVER CERTAIN LANDS WITHIN MEDICINE BOW NATIONAL FOREST KNOWN AS POLE MOUNTAIN DISTRICT

Mr. HICKEY. Mr. President, on behalf of myself, and my colleague, the senior Senator from Wyoming (Mr. McGEE), I introduce, for appropriate reference, a bill to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two letters to me from Mr. George J. Argeris, assistant attorney general of the State of Wyoming, one dated November 1, 1961, and the other dated May 14, 1962, relative to the need for the proposed legislation in order to create legislative jurisdiction in the Pole Mountain Military Reservation that has been required by virtue of the Executive order of the President of the United States removing the reservation from military jurisdiction and putting it in the National Park System. The correspondence includes a letter from Mr. A. F. C. Greene, acting assistant regional forester, to Mr. S. J. Jiacoletti, dated May 1, 1962.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the correspondence will be printed in the RECORD.

The bill (S. 3370) to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District, introduced by Mr. HICKEY (for himself and Mr. McGEE), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The correspondence presented by Mr. HICKEY is as follows:

STATE OF WYOMING,  
Cheyenne, November 1, 1961.

Re legislative jurisdiction—Pole Mountain Military Reservation.

Senator J. J. "JOE" HICKEY,  
Hickey, Raper, Rooney & Walton, Attorneys  
at Law, Cheyenne, Wyo.

DEAR SENATOR HICKEY: For your information, I enclose memorandum opinion of the office of attorney general, State of Wyoming, dated December 16, 1959; memorandum opinion from the Office of General Counsel, U.S. Department of Agriculture dated June 28, 1960; and several letters from personnel of the Forest Service dated July 8, 1960, July 13, 1960, and September 6, 1961.

Pursuant to public land order 2446, July 20, 1961, the use of the Pole Mountain Military Reservation for military purposes was terminated. In at least two public land orders prior to that time, the lands comprising this reservation had been turned over to the Forest Service to be administered as part of the Medicine Bow National Forest. As you might know, in response to these various land orders, the State of Wyoming Game and Fish Commission has been interested in the extent of the State's jurisdiction in this area for game-enforcement purposes.

In my enclosed opinion rendered prior to the last public land order above mentioned, I advised the commission that most likely upon the termination of the use of this area for military purposes, legislative jurisdiction in this area would automatically recede to the State. You will also note that the Assistant General Counsel of the Office of the General Counsel, U.S. Department of Agriculture, somewhat agrees, but feels that the certainty of the matter would necessitate special Federal legislation receding jurisdiction to the State and subsequent State legislation accepting such jurisdiction.

Prior to the time that all lands were turned back to the Forest Service for administration, the game and fish commission had continued to manage the game and fish in this area and to open season all under authority of cooperative agreement with the military at Fort Warren. The commission, however, had been without jurisdiction for law enforcement purposes, and violations were prosecuted in the Federal court upon arrest by the military or complaint by the commission. Since public land order No. 1897, dated July 10, 1959, whereby the remaining lands in the Pole Mountain Military Reservation were turned over to the Forest Service for administration as part of the Medicine Bow National Forest and since public land order No. 2446, dated July 20, 1961, whereby the use of this area for military purposes was terminated, the commission has proceeded with desire and approval of the Forest Service to manage the game and fish therein with such authority as is exercised in all other national forests in the State. The matter of jurisdiction for law enforcement purposes in this area is, however, still uncertain.

As the letters of the Forest Service personnel reveal, recommendation to the Division of Legislative Liaison within the Department has been made for purposes of fostering legislation fully receding to the State of Wyoming legislative jurisdiction within the area. It is my feeling that we ought certainly to support such legislation and to encourage its submission for purposes of clarifying the matter. I question the desirability of any such legislation being initiated by the State of Wyoming for fear that it would be contradictory to the position I feel we ought to assume, namely, that upon the termination of the use of the area for military purposes (as was finally accomplished by public land order No. 2446), ju-

isdiction in the area automatically reverted to the State.

I enclose this material for your information in order that you might be more fully acquainted with the situation if and when confronted with it.

Respectfully submitted.

GEORGE J. ARGERIS,  
Assistant Attorney General.

STATE OF WYOMING,  
Cheyenne, May 14, 1962.

Re Pole Mountain Military Reservation.

Hon. J. J. HICKEY,  
U. S. Senator, Senate Office Building,  
Washington, D.C.

DEAR SENATOR: By letter of November 1, 1961, together with enclosures, I presented to you the status of that area in the State of Wyoming, vic. Cheyenne, once comprising Pole Mountain Military Reservation. Therein, I indicated that the division of legislative liaison within the Department of Agriculture was sponsoring legislation to effectuate a recession of jurisdiction over this area to the State of Wyoming.

As you know, by public land order No. 2446, dated July 20, 1961, the use of this area for military purposes was terminated. Prior thereto and on June 5, 1925, by Executive Order No. 4245 and on July 10, 1959, by public land order No. 1897, these lands were made a part of the Medicine Bow National Forest. The Forest Service, as expressed by both the Laramie and Denver offices, is extremely desirous of the State of Wyoming assuming jurisdiction over this area for game enforcement purposes as is the case in the other national forests in the State.

As I had indicated to you in my letter of November 1, referred to above, it could, I think, be validly argued that upon the termination of the use of the area for military purposes, jurisdiction automatically receded to the State. Due to the fact of uncertainty with regard thereto, however, both the commission and the Forest Service desire legislation on the matter.

It appears that legislation general in form which could have taken care of the matter has not been forthcoming, and on the basis of the letter to Mr. Jiacoletti from the Forest Service in Denver, dated May 1, 1962, a copy of which I enclose, it appears that such legislation is not anticipated. The game and fish commission has requested, therefore, that I direct a letter to you, requesting that specific legislation be introduced for purposes of expressly receding such jurisdiction to the State and that this be accomplished in sufficient time so as to be ratified by the 1963 Wyoming Legislature.

Jurisdiction was originally ceded to the Federal Government over this area pursuant to section 1, chapter 20, Session Laws of Wyoming, 1893.

I feel my previous correspondence to you has pretty well laid out the situation, all of which I am fairly sure you are acquainted with. If I may be of any additional help to you, please let me know.

Yours truly,

GEORGE J. ARGERIS,  
Assistant Attorney General.

U.S. DEPARTMENT  
OF AGRICULTURE,  
FOREST SERVICE,  
ROCKY MOUNTAIN REGION,  
Denver, Colo., May 1, 1962.

Mr. S. J. JIACOLETTI,  
State Game and Fish Commissioner, Wyoming Game and Fish Commission, Cheyenne, Wyo.

DEAR STEVE: For your information, the bill providing for the adjustment, on a national basis, of jurisdiction exercised by the United States over lands used for Federal purposes, such as on Pole Mountain, is S. 145. It was

introduced by Senator McCLELLAN, of Arkansas, on January 5, 1961. Our latest information is that it is in the Government Operations Committee of the Senate.

This bill is identical to S. 1617 introduced in the 86th Congress and is essentially the same as S. 1538 of the 85th Congress. It is indicated that the possibilities for passage of S. 154 in this session are about the same as was the case with its two predecessors.

Sincerely yours,

A. F. C. GREENE,  
Acting Assistant Regional Forester.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENTS

Mr. JAVITS (for himself and Mr. BUSH, Mr. CLARK, Mr. DOUGLAS, Mr. KEATING, Mr. KUCHEL, Mr. MORSE, and Mr. SCOTT) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. KEATING submitted an amendment, intended to be proposed by him, to Senate bill 2996, supra, which was ordered to lie on the table and to be printed.

Mr. HICKENLOOPER submitted amendments, intended to be proposed by him, to Senate bill 2996, supra, which were ordered to lie on the table and to be printed.

Mr. CHURCH submitted an amendment, intended to be proposed by him, to Senate bill 2996, supra, which was ordered to lie on the table and to be printed.

Mr. JAVITS submitted an amendment, intended to be proposed by him, to Senate bill 2996, supra, which was ordered to lie on the table and to be printed.

#### AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

Mr. JAVITS. Mr. President, I send to the desk, for printing under the rule, an amendment on behalf of myself and other Senators, properly called the "freedom of travel" amendment to the pending bill, the Foreign Assistance Act of 1961, to reaffirm our opposition to Arab discrimination against United States citizens who do business in or travel in the Near East.

I submit the amendment on behalf of myself and Senators BUSH, CLARK, DOUGLAS, KEATING, KUCHEL, MORSE, and SCOTT.

The VICE PRESIDENT. The amendment will be received and printed; and will lie on the desk.

Mr. JAVITS. Mr. President, the amendment would add to section 102 the following language:

It is further the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these

principles shall be applied as the President may determine. The Secretary of State shall report annually on the measures taken to apply the principles stated above.

The increasing number of American firms and individuals dealing with Israel who are directly affected by the Arab blacklist and boycott makes it necessary for the United States to repudiate and condemn any measures by foreign countries to interfere with the rights and privileges of U.S. citizens. Such discrimination is especially offensive when it is practiced by nations who receive assistance under the provisions of the foreign aid programs.

The Arab boycott and interference with commerce and travel have been growing into full-scale economic warfare against the State of Israel in an effort to isolate and destroy it. But the issue on this amendment is that of threats to blacklist American businessmen, to discourage air and shipping lines from entering Israel, and to refuse to honor the American passport when its holder is Jewish; and not the Arab-Israel conflict.

The continuation of this practice by nations sharing in our assistance program cannot be tolerated and this offensive conduct should be met with vigorous and unabated action by our Government. It is a violation of the intent and provisions of this act, a violation of the United Nations Charter and a violation of international law.

As recently as May 29, according to Radio Cairo, the Arab League boycott offices were warning airplanes and shipping companies against serving Israel. The boycott offices are continuing to place severe limitations on American merchant marine activity. Penalties for breaking the rules include depriving ships of the opportunity for loading or discharging cargo and from taking on water supplies and other provisions. Cargoes destined for Israel, even in foreign bottoms, are still not permitted through the Suez Canal and may be confiscated.

Foreign nations receiving American commodities under the Foreign Assistance Act are required to employ a minimum of 50-percent American flagships for the delivery of these products. All nations comply, including those associated with the Arab League. However, in addition to barring the ships of any nations that stop at Israel's ports, the Arab States refused to permit the 50-percent American bottoms to include any "Jewish owned" carriers, and thus such Arab governments are in effect permitted to discriminate against American shipping firms owned by Jews.

In view of the expansion of the U.S. aid program to the Near East projected under this act, the effects of this discrimination will be more widespread than ever if it is permitted to continue.

Special targets for blacklisting are American motion picture stars and companies but no aspect of the American economy is exempt from the blacklist and the threat of boycott.

It should not be forgotten that the United States has on more than one occasion come to the rescue of Egypt and Jordan, two states which are most

actively seeking to impose the boycott, and in this act is seeking to increase our aid to these countries.

We have aided Saudi Arabia and we have just extended recognition to the Sheikdom of Kuwait. The Senate has a right to insist that these nations conduct themselves at least within the spirit of the Foreign Assistance Act.

The language of this amendment is the same as that adopted by the Congress in the Foreign Aid Appropriations Act of 1961 with the additional provision that the Secretary of State should report annually on measures taken to insure the application of the principles set forth in this amendment.

The Congress must continue to seek to uphold these principles and I deeply believe that we should here support the adoption of this amendment.

The act of 1961 had a 1-year life necessarily, but has the very important additional provision requiring the annual reports by the Secretary of State.

Mr. President, I think it is only seemly that the Congress insist upon that kind of amendment and insist upon its implementation, and I very much hope that when it is called up, it will be agreed to. I am very grateful to those of my colleagues who have participated with me in presenting it. I point out that it is entirely a cooperative effort. It is not an original idea of my own. The subject has been before us on a number of occasions. It just seemed logical for me to submit it at this time.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KUCHEL. I merely wish the Record to show that I am delighted to join with the distinguished senior Senator from New York [Mr. JAVITS] in sponsoring the amendment. It ought to have the unanimous approval of the Senate. It is regrettable that in the world today there are some nations who make a mockery out of the high-sounding verbiage by which the Congress passes a Mutual Foreign Assistance Act. While they are aware of the language, still they deal with the Government of the United States in an effort to obtain maximum financial assistance under it.

At the last session of Congress the Senate approved similar proposed legislation. I am glad once again to salute my friend from New York, who speaks for a number of us in sponsoring the amendment to which he has alluded, and which will now be printed.

Mr. JAVITS. I thank my colleague.

Mr. KEATING. Mr. President, I am very happy to join in cosponsoring the amendment which my colleague has offered. It deserves, it seems to me, the wholehearted approval of the Congress.

The continuing practice of some nations in putting restrictions on American citizens and using race or religion as a criterion for discriminatory treatment is distasteful to all American citizens. We in the United States believe in the basic right of all persons to free exercise of their religion and to equal treatment under the law.

Where racial differences in this country most unfortunately and regrettably, by local custom, are used as a basis for



discriminatory treatment, we are actively working to eliminate these distinctions. What a violation it is, then, of our own fundamental beliefs, for the United States to provide assistance to nations which discriminate against American citizens on the basis of religion. What a cruel parody of the aims we try to achieve through our foreign aid program to encourage nations that deliberately trample on principles so vital to American living. What an injustice is being done to American citizens of all religions who pay the taxes imposed by our Government and then see those funds transferred to foreign nations which discriminate against the very people who have contributed to their resources.

Mr. President, it is altogether fitting and proper to approve in this legislation language that would clearly state the sincere and deep-rooted objection of the Congress to discriminatory treatment of Americans abroad. I would like to see the President take a strong stand in any areas where this prejudice prevails and insist upon the provision in any foreign aid agreement of firm guarantees of equal treatment of all Americans. I am very pleased to join with my colleague and senior Senator from New York in cosponsoring these amendments, which deserve the wholehearted approval of the Congress. I am hopeful that the requirement for annual reports will serve the purpose of prodding the executive branch of the Government into a more vigorous enforcement of the will of the Congress in this regard.

#### AMENDMENT TO THE SMALL RECLAMATION PROJECTS ACT OF 1956— ADDITIONAL COSPONSOR OF BILL

Mr. MOSS. Mr. President, I ask unanimous consent that the name of the junior Senator from South Dakota [Mr. CASE] may be listed as a cosponsor on future printings of Senate bill 3323, to amend the Small Reclamation Projects Act of 1956.

The VICE PRESIDENT. Without objection, it is so ordered.

#### LOAN CONSERVATION FUNDS— WITHDRAWAL OF A COSPONSOR

Mr. CHURCH. Mr. President, I ask unanimous consent that my name be stricken from among the cosponsors of Senate bill 3118, to provide for loan conservation funds.

The VICE PRESIDENT. Without objection, it is so ordered.

#### NOTICE OF HEARINGS ON PROPOSED LEGISLATION RELATING TO PHILIPPINE WAR DAMAGE CLAIMS

Mr. SPARKMAN. Mr. President, I wish to announce that the Committee on Foreign Relations will hold a public hearing on Philippine war damage claims legislation on June 12, 1962, at 10:30 a.m., in room 4221, New Senate Office Building. The bills on this subject pending

before the committee are S. 2380, introduced by Senator HUMPHREY on August 4, 1961, and S. 3329, introduced by Senator FULBRIGHT on May 21, 1962.

#### NOTICE OF HEARINGS ON GOLD PRODUCTION

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Colorado [Mr. CARROLL], who is necessarily absent today, I ask unanimous consent that a statement relative to hearings of the Subcommittee on Minerals, Materials, and Fuels, prepared by him, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

##### HEARINGS ON GOLD PRODUCTION

(Remarks of Senator JOHN A. CARROLL, of Colorado, chairman of the Subcommittee on Minerals, Materials, and Fuels)

The subject of gold continues to be very much in the news.

Only last week former President Eisenhower viewed with alarm certain present economic policies which he said were endangering the soundness of our dollar, which, in international payment, is backed by gold.

However, in fairness, it should be pointed out that under the previous administration little was done to halt the outflow of gold from our country or increase our supplies by making it possible for our own gold mining industry to produce.

By now of course it's an old, old story to the Members of the Senate and to the administration: We are continuing to lose gold from our National Treasury, month after month. All of our officials and all of our experts continue to express alarm at this outgo.

At the same time, we have vast deposits of rich gold-bearing ores in our own country—particularly in my State of Colorado and other States of the West such as California and Montana and including of course our great new State of Alaska.

It was gold that attracted many of our forefathers to go West, and it was gold that was the touchstone that led the winning of the West.

Yet our historic and once prosperous gold mines now are closed for the most part, and our skilled miners are unemployed, or have found other jobs in which their skills and knowledge and experience as gold miners are not used.

All this is taking place at a time, when our country needs gold, and more gold.

The Subcommittee on Minerals, Materials, and Fuels is endeavoring to do something about this anomalous situation. We held an exploratory hearing on March 15 to find means and ways of increasing production of gold from sources within the United States, and thus reopening our closed gold mines and putting our gold miners back to work.

Specific proposed legislation before us was Senate Joint Resolution 44, a measure introduced by the distinguished Senator from California, Mr. ENGLE, for himself and other distinguished Senators of both political parties.

Senate Joint Resolution 44 would authorize incentive payments of up to \$35 an ounce for newly mined domestic gold. This subsidy price, combined with the Government-fixed price of \$35 an ounce, would make it possible for a domestic producer to receive up to \$70 an ounce for new production. I might point out here that many experts have said that \$70 an ounce is an inadequate price under present day costs and conditions.

The administrative agencies, led by the Treasury Department, opposed this quite reasonable and limited measure, primarily on the ground that somehow action by the American Government to aid our American miners would upset the confidence other nations might have in our dollar. However, many of these same other nations aid their own gold miners to a much greater extent than that proposed by Senate Joint Resolution 44.

A memorandum outlining steps taken by other nations to aid their gold miners, prepared at the request of the subcommittee by Leland Howard, Chief of the Office of Domestic Gold and Silver, U.S. Treasury, is as follows:

"TREASURY DEPARTMENT,  
"Washington, D.C.

"Mr. STEWART FRENCH,  
"Chief Counsel, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

"DEAR SIR: This is in reply to your letter of May 11, 1962, in which you request certain additional information concerning gold, in connection with your forthcoming hearings on S.J. Res. 44 scheduled for the 23d of May.

"Section 43 of the act of May 12, 1933 (48 Stat. 51-53) permitted the President to fix the weight of the gold dollar, but in no event to reduce its then present weight by more than 50 percent. Section 12 of the Gold Reserve Act of 1934 (48 Stat. 337) amended this section to add that the weight of the gold dollar not be fixed in any event at more than 60 percent of its then present weight. This power was to expire two years after the date of enactment of the Gold Reserve Act, unless the President should sooner declare the existing emergency ended, but the President was authorized to extend the period for not more than one additional year after such date by proclamation.

"On January 31, 1934, the President by proclamation (No. 2072) fixed the weight of the gold dollar at 15 5/21 grains nine-tenths fine, which was the equivalent of \$35 per fine troy ounce and on that same day the price of gold purchased and sold by the Mints and Assay Office under the Gold Reserve Act was fixed at \$35 per fine ounce, minus or plus 1/4 of 1 percent. Purchases were also subject to Mint charges.

"On January 10, 1936, by proclamation, the President extended the powers with respect to the weight of the gold dollar until January 30, 1937. These powers were further extended by the act of January 23, 1937, the act of July 6, 1939, and the act of June 30, 1941, until June 30, 1943, when they expired.

"The Secretary of the Treasury under sections 8 and 9 of the Gold Reserve Act has the authority, with the approval of the President, to purchase and sell gold 'at such rates and upon such terms and conditions as he may deem most advantageous to the public interest.' This authority, however, is limited by the Bretton Woods Agreement Act and the obligations undertaken by the United States as a member of the International Monetary Fund. Article IV, section 2 of the Articles of Agreement of the International Monetary Fund provides:

"'The Fund shall prescribe a margin above and below par value for transactions in gold by members, and no member shall buy gold at a price above par value plus the prescribed margin or sell gold at a price below par value minus the prescribed margin.'

"The fund has prescribed a margin of one-quarter of 1 percent plus actual or computed costs of melting, shipment and custody, if any, or in the alternative a margin of 1 percent to include all of these handling costs. Under this provision, the United States has an obligation to the International Monetary Fund not to purchase gold at more or sell gold at less than \$35 plus or minus the margin prescribed by the Fund,

under either alternative, unless the par value of the dollar should be changed. Under section 5 of the Bretton Woods Agreement Act (22 U.S.C. 286c), approval of Congress is required for any such change in the par value of the dollar.

"I have had a review made of the various gold subsidy programs throughout the world. These programs are submitted to the International Monetary Fund for approval and the material in the attached memorandum was prepared from the annual reports and staff papers of that organization.

"Very truly yours,

"Director, Office of Domestic Gold and Silver Operations.

"(Enclosure.)"

"MEMORANDUM

"Re gold subsidies.

"CANADA

"The Canadian subsidy, first announced on December 11, 1947, provided for a payment to individual gold mines, determined by taking half of the amount by which the current cost of gold production of any mine exceeded \$18 an ounce and applying this to the amount by which production in the current year exceeded two-thirds of the production in the base year, July 1, 1946, to June 1, 1947. This subsidy was effective January 1, 1948, and was initiated for a 3-year period. It was extended in 1949 to not less than one-third of the gold produced each year, which would permit assistance to a few mines producing at levels substantially below that of the base year.

"In 1951 the plan was changed so that the number of ounces on which it would be paid was based on either the number of ounces produced in the benefit year (1951) in excess of one-half of the number produced in 1948, 1949, or 1950, the year to be selected by the mines, or one-half of the number of ounces produced in the benefit year, whichever was the greater. The 1951 assistance was equal to half of the difference between \$22 per ounce and the actual cost of production of gold from the particular mine, up to \$45. Canadian producers electing to sell gold at premium prices were not eligible for the subsidy. This act was extended to January 1, 1954.

"In February 1955, the subsidy was extended in a modified form for the calendar years 1955 and 1956. Under this formula, a subsidy was provided for eligible mines equal to two-thirds of the excess of the cost of production over CAN \$26.50 per ounce up to a maximum of Canadian \$12.33 per ounce. This applied to two-thirds of the output of the assisted producers, reduced the subsidy previously available to lower cost mines, and increased that available to higher cost mines.

"This was extended through 1957 and 1958 without change.

"In August 1958 the subsidy was extended through the calendar years 1959 and 1960, with a 25-percent increase in the amount of assistance for the years 1958, 1959, and 1960. The increase of 25 percent in the amounts payable to individual mines was intended to offset a continuing rise in production costs and the effects of the free exchange rate of the Canadian dollar. The subsidy was paid to mines that produced only gold and that had production costs high enough to justify assistance; it was not payable to base metal mines which produced gold as a byproduct. Gold mines ineligible for assistance and base metal mines were permitted to sell their gold on the free market. Mines receiving assistance are required to sell their output to the Royal Canadian Mint for the equivalent in Canadian dollars of U.S. \$35 per fine ounce. Since the Canadian dollar has been at a premium over the U.S. dollar in recent years, the price paid by the mint for gold has been

proportionately reduced; during 1958 it fluctuated between CAN \$33.58 and CAN \$34.62 per fine ounce. The total amount of subsidy paid for the year ended March 31, 1959, is estimated at CAN \$11.6 million compared with CAN \$8.6 million for the previous year.

"In June 1960, Canada extended the subsidy through the years 1961, 1962, and 1963 and made administrative changes so as to insure that subsidy payments were made only on gold bullion sold to the Royal Canadian Mint.

"AUSTRALIA

"In March 1948, Australia initiated a subsidy determined for each gold mine individually according to its cost or reserves, values and dependent population, which was canceled in 1949.

"However, in October 1954 they introduced a plan whereby certain gold producers whose annual output exceeded 500 ounces would be eligible during the fiscal years 1954, 1955, and 1956 for a subsidy per fine ounce equal to three-quarters of the excess cost of production over A 13-10 provided that the subsidy would not in any case exceed 2 Australian pounds per ounce. Producers whose annual output was less than 500 ounces would be eligible for a flat rate subsidy, A 1, 10 shillings per ounce.

"For a period of 3 years from June 30, 1959, the rates of assistance were increased to A 3-5s (3 Australian pounds, 5 shillings) maximum for large producers and flat subsidy for small producers to A 2-8s (2 Australian pounds, 8 shillings).

"This program is still in effect.

"FIJI

"Fiji has only one gold producer. An annual subsidy of 150,000 was paid to this company in each of the years fiscal 1959, 1960, and 1961, on condition that the company should carry out capital development, costing an equal or greater amount, on mine buildings, plant, and underground workings (exclusive of staff or employees' housing) during the period of the subsidy; the company was required to refund to the Government all sums received by way of subsidies in excess of the cost of such capital works; and in the event of production in any one year falling below 75,000 ounces, the subsidy was to be reduced below 150,000 at the rate of 2 per ounce of the shortfall.

"COLOMBIA

"The Colombian subsidy plan provided for a temporary subsidy of not more than 20 pesos per fine ounce on not more than 30 troy ounces per month to certain small gold mines and gold pan miners whose production did not exceed 180 ounces of fine gold during the first 6 months of 1953 and who elected to sell their output to the Bank of the Republic at the official price of \$35 per fine ounce, plus the established subsidy. The output of the mines to be benefited was, at the time of its adoption in 1955, about 20 percent of the total amount of gold produced in Colombia and the total subsidy payable was limited to a monthly appropriation of 80,000 pesos.

"This program is still in effect.

"PHILIPPINES

"In June 1954, the Government of the Philippines introduced a subsidy payment related to the presumed economic need of each category of mine for a period of 2 years. Mines producing gold as their principal product had the option of selling newly mined gold to the Government through the Central Bank at the official price and receiving the appropriate subsidy or selling gold on the domestic free market without any subsidy.

"From September 1955 until December 31, 1955, the rates of assistance were reduced, gold producers were required to sell to the Central Bank a minimum of 50 percent of their gold production at their new rates of

assistance with the option of selling their entire output at the same prices.

"This act was modified and extended to July 18, 1957, to extend the categories of producers to be assisted so as to cover all producers, and to channel a greater quantity of newly mined gold into the central reserves. The right to receive assistance was extended to mines producing gold as a byproduct of other metals. At least 75 percent of the newly mined gold produced by each mine was required to be sold to the Government through the Central Bank at the current official price per ounce plus the assistance. The remaining 25 percent could be sold either to the Government or in the domestic free market without benefit of the assistance. The rates of assistance were not changed. The Philippine monetary authorities, by a resolution of February 19, 1957, also authorized the use of blocked peso deposits of nonresidents for the direct purchase of gold bullion up to 25 percent of the output of local mining companies. Such purchases in the domestic free market had to be sold to the Central Bank at the official price of \$35 per ounce, payable in U.S. dollars, and the proceeds remitted abroad.

"In June 1961, the Philippines introduced direct production subsidies to gold producers. All gold producers were classified into two categories—marginal and overmarginal—depending on whether or not their net profits fell short of 'base profits,' which are calculated separately for each mine. In order to be eligible for the subsidy, gold producers are required to sell their entire output to the Central Bank at the official price, which is defined as the peso equivalent of U.S. \$35 per ounce, or any other price set by the Government. Marginal producers receive, in addition to the official price, an assistance of P65 per ounce and overmarginal producers, P50 per ounce. However, the total amount received is not to exceed P170 per ounce for marginal producers and P155 per ounce for overmarginal producers.

"SOUTHERN RHODESIA

"A gold subsidy was introduced during 1948 in Southern Rhodesia which was canceled after the devaluation of sterling and certain other currencies in September 1949.

"May 17, 1962."

Senate Joint Resolution 44 would in no way affect the price of \$35 an ounce fixed for gold back in depression days by President Franklin D. Roosevelt. Hence, the fears of the administration's experts are without foundation.

As a matter of fact, to insure against Senate Joint Resolution 44 affecting the price of gold, some sponsors of the resolution have offered to add an amendment in the form of a proviso, assuring all nations that the United States guarantees to continue to buy and/or sell gold at \$35 per ounce.

At the March 15 hearing, only industry spokesmen and non-Government experts were heard. Many facts and ideas were brought forth at this hearing and I sent each of the administration agencies concerned a set of galley proofs of the transcript, asking that the facts and ideas be studied.

The Minerals, Materials, and Fuels Subcommittee has scheduled a hearing for Friday, June 8, at 10 o'clock in the Interior Committee Room, room 3110, New Senate Office Building, at which officials of policy-making rank for the administrative agencies will be heard. This hearing has previously been announced for May 23, but because the Secretary of the Treasury, Douglas Dillon, was just returning from an international bankers conference in Rome, this scheduled hearing had to be postponed.

At Friday's hearing, Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, will present Treasury's views. In addition, the subcommittee has invited the Secretary of State, Dean Rusk, and the Sec-



retary of the Interior, Stewart Udall, and the Director of the Bureau of the Budget, David Bell, to be with us.

I hope very much that these high-ranking officials and the Senators on the subcommittee can arrive at agreement on some course of action that will solve our present dilemma of "starving in the midst of plenty" where gold is concerned.

I am confident that, in a small way, the mining of more domestic gold is one of the answers to replenishment of our dwindling gold reserves. And I think this can be done without disturbing present confidence in the U.S. dollar.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 315. An act for the relief of Dr. Ting-Wa Wong;

S. 1962. An act for the relief of Kenneth David Wooden;

S. 2011. An act for the relief of Antonia Longfield-Smith; and

S. 2099. An act for the relief of Tina Jane Beland.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 1653) for the relief of William Falby.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps who incurred losses pursuant to the cancellation of a permanent change of station movement;

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes;

H.R. 10651. An act to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes; and

H.R. 11743. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 473) providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile, in which it requested the concurrence of the Senate.

#### ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S.J. Res. 88) authorizing the issuance of a gold medal to Bob Hope, and it was signed by the President pro tempore.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 9522. An act for the relief of certain members of the U.S. Marine Corps who incurred losses pursuant to the cancellation of a permanent change of station movement;

H.R. 10618. An act granting the consent of Congress to the Southern Interstate Nuclear Compact, and for related purposes;

H.R. 10651. An act to amend title 28, United States Code, with respect to fees of United States marshals, and for other purposes; to the Committee on the Judiciary.

H.R. 11743. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

#### HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 473) providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile, was referred to the Committee on Armed Services, as follows:

*Resolved by the House of Representatives (the Senate concurring).* That the Congress expressly approve, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), the disposal of the following materials from the national stockpile:

(a) Approximately four hundred and forty thousand two hundred and forty-six pounds of silk noils;

(b) Approximately ninety-six short tons of 91 per centum nickel in ingot form, approximately four short tons of sintered nickel powder in the form of "cups", and approximately nine short tons of cobalt in rondelle form averaging 97.9 per centum cobalt;

(c) Cordage fiber consisting of approximately seven million five hundred thousand pounds of abaca fiber and approximately ten million pounds of sisal fiber;

(d) Approximately three thousand five hundred long tons of vegetable tannins (quebracho, chestnut, and wattle extracts);

(e) Approximately twenty-eight thousand eight hundred and sixteen short tons of celestite;

(f) Approximately four thousand four hundred and seventy-one troy ounces of platinum scrap and a quantity of nonferrous scrap consisting of approximately five hundred and twenty short tons of brass, seventy-four short tons of silicon bronze and copper, eleven short tons of beryllium copper, and one hundred and six short tons of zinc foil;

(g) Approximately fifty thousand long tons of pig tin;

(h) Approximately one hundred and fifty-five million six hundred and seventy-six thousand pounds of castor oil;

(i) Approximately two hundred sixty-five thousand pounds of cobalt oxides, and approximately five thousand five hundred pounds of cobalt carbonates;

(j) Approximately one thousand eight hundred and ninety tons of chromite ore;

(k) Approximately sixty-five thousand four hundred and forty-seven pounds (gross weight) of ferrovanadium;

(l) Approximately sixty-three short tons of ferromanganese, and approximately four and one-half short tons of electrolytic manganese metal;

(m) Approximately ten million pounds of contained nickel and cobalt in the form of nickel oxide powder;

(n) Approximately five million pounds of molybdenum.

Sec. 2. All funds derived from the sales authorized by this concurrent resolution shall be deposited into the Treasury as miscellaneous receipts.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on June 1, 1962, he presented to the President of the United States the following enrolled bills:

S. 107. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes;

S. 971. An act for the relief of Salvatore Briganti; and

S. 3157. An act to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address by him on the Communist threat.

Excerpts from address by him on the role of farmers in the cold war.

#### DEATH OF GEORGIANS IN PARIS AIRCRAFT DISASTER

Mr. TALMADGE. Mr. President, the tragedy of Sunday which shocked the world was a soul-searing calamity for the city of Atlanta and the State of Georgia. In the brief seconds of inexplicable disaster which was aviation history's worst single accident, the lives of 115 of Georgia's foremost business, professional, civic, and cultural leaders were lost. One hundred and six of the victims were from the city of Atlanta alone.

Mere words are woefully inadequate to convey the overwhelming sense of loss and sadness which has engulfed Georgia and its capital city as the result of this catastrophe. It was a blow of devastating proportions to every area of life in Georgia and Atlanta. The great loss was compounded by the fact that these men and women were leaders—outstanding citizens who had dedicated themselves and their talents to the advancement of the highest aspirations of mankind. The void left by their passing is one which will be long in filling.

For Mrs. Talmadge and myself the loss was a personal one. Among the victims were many close, personal friends of long standing. We share the grief of their loved ones, and extend to them our sincerest heartfelt sympathy. It is our hope and prayer that they will find comfort in the useful lives of accomplishment which the departed leave as their enduring memorial.

The feelings of all Georgians were well expressed by the editorials of Atlanta's two newspapers—the Constitution and the Journal—and the personal column of Constitution Editor Eugene Patterson. I ask unanimous consent, Mr. President,

that those editorials, Mr. Patterson's column, and a list of the victims be printed herewith in the body of the RECORD.

There being no objection, the editorials, article, and list were ordered to be printed in the RECORD, as follows:

#### MAY THEY REST IN PEACE

There are some tragedies too great, some shocks too severe for the human spirit to understand and encompass at once.

Such was the tragedy Sunday in Paris that took the lives of so many Atlantans and Georgians. Families were broken by it and children were orphaned. The personal suffering and loss are so intense that years will pass before the sharp edge of grief is dulled.

The loss will be felt, too, by those who were not bound by ties of kinship and friendship to those who died. For these were the people who did things, who had the extra something that kept them in front. They were the ones who in times of crisis could be counted upon to come to the rescue of whatever worthy cause might be failing. They were the ones who could be depended upon to successfully sponsor whatever project might be important at the time. Their particular cares were the art association, the opera, the symphony, the speech school, the agencies of the Community Chest or whatever might bring greater richness and depth to life in Atlanta.

The Journal extends its deepest and most heartfelt sympathy to their families and friends.

#### TRAGEDY IN PARIS IS A VERY GREAT BLOW FOR THE CITY OF ATLANTA TO BEAR

Atlanta was shelled and burned in its infancy and tempered to shock through the years by such disasters as the Wineoff fire. But nothing could have prepared the city for the catastrophe that occurred in Paris Sunday.

The swift crash of one airplane 3,000 miles across the sea swept away from Atlanta the lives of a stunning number of its most honored citizens.

The select cultural leadership of a whole city is decimated.

Hundreds of the region's finest families are touched by bewildering tragedy.

The contribution of generations to a maturing South is cut short.

And Atlantans, who know their neighbors no matter how large we have grown, are wrung with mourning for a loss so desolating that it taxes belief.

The death of any one of these would have shaken us. To lose them all at one moment brings down upon this city an immeasurable shock and sorrow.

They typified the best of Atlanta's conscientious and contributing citizenry. They had been on a month's tour of the art centers of the Continent, both out of their own cultivated appreciation and their dedication to bringing Atlanta's galleries to a position of national distinction.

Their going opens a great gap, not only in their families, but in the whole community's line of advance toward the goal of greatness.

The most heartfelt sympathy of every Atlantian goes out to the families in their personal grief, just as the sympathy and prayers of the President and the Nation have come in to our city today.

We cannot fill these places. But if dedication is born of this city's anguish, then the memorial we raise to them will be a completion of the works they started and a devotion to the values they held.

Atlanta has been given a very great blow to bear.

#### BRIGHT ARROWS ACROSS ETERNITY

(By Eugene Patterson)

Julia and Baxter Jones had a simple and compelling painting on the wall of their

living room. It was the work of a Mexican artist, who called it Adam and Eve. It spoke to them. They brought it home to their stately house on Atlanta's Tuxedo Road.

Against an infinity of dull blue and crimson, hinting at far clouds and endless suns, two angular birds fly side by side—one white, one gold—and neither is in the foreground because both are. They strike forward cleanly together, like bright arrows across the lightening gloom of eternity.

With her hand on a chair, and Baxter beside her, Julia explained one night that she saw, in this painting's ageless simplicity, "something of immortality."

Now he and she have gone into that endlessness they saw in art, and with them have gone scores of others like them—a terribly large cross section of the most sensitive and truly civilized of our people.

What can be said in this stunned moment? What words are there to measure this calamity in Paris?

It is doubtful that any American city has ever lost, at a single stroke, so much of its fineness.

None can be singled out. This was Atlanta. These were the caring men and gentlewomen who contributed to more than the city's finance, politics, commerce; they lifted our eyes to the things that matter, to the meanings that history remembers when it has discarded the pettiness of wars and riches and little movements—to the arts, the culture that endures.

These people were irreplaceable. Grief is not deep enough to embrace so much. Comfort is too small to comprehend.

Neither power nor position was the true importance they shared. Some of them were humble by those standards.

They shared a cultivation of the soul and the spirit, and they placed their hands to the work of nursing that transcendent flame so that it will glow from the galleries when our skyscrapers have rusted and freshen the hearts of generations when all of us are dust.

They are gone. But they held in common that divine spark of which Plato wrote, and without which there is no art. It is man's expression of things God-born. It drew them to Rome and Florence and Venice, to the Louvre and at last, refreshed and rededicated, to Orly.

We suffer a grievous loss because they will not return. Still they, by virtue of the very kinship that carried them to Europe, had glimpsed in their lives the most rare and exalting edge of ultimate beauty that man can see—something of immortality.

#### LIST OF VICTIMS IN PARIS AIRLINE DISASTER

Here is a list of passenger casualties aboard the Air France plane that crashed in France Sunday. The list was provided by Air France and checked against a list of those on a tour provided by the American Express Co.

Those from Atlanta:

Mrs. C. A. Adair of 58 Montclair Drive NE.  
Mr. and Mrs. Tom Chris Allen of 3633 Tuxedo Road NW.

Mrs. Henrietta C. Ayer of 536 West Paces Ferry Road NW.

Paul Barnett, 3456 Piedmont Avenue NE.  
Mrs. Ralph J. Barry of 2914 Arden Road NW.

Mrs. E. W. Bartholomai of 3148 Lenox Road NE.

Mrs. W. P. Bealer of 286 Colonial Homes Drive.

Mr. and Mrs. George Beattie of 3047 East Pine Valley Road NW.

Mrs. Frances Beers of 2637 Peachtree Road NE.

Mrs. Marion T. Benson of 3301 Habersham Road NW.

Mr. and Mrs. Randolph Berry of 376 Manor Ridge Drive NW.

Mrs. E. Milton Bevington of 594 Valley Green Drive NE.

Mr. and Mrs. Roy Bixler, 1137 Mason Woods Drive.

Mrs. David C. Black, 3567 Paces Valley Road NW.

Katherine Bleckley of 717 Piedmont Avenue NE.

Dr. and Mrs. Harry Boon of 167 Bolling Road NE.

Mr. and Mrs. Morris Brandon, Jr., of 671 W. Paces Ferry Road NW.

Mrs. Fred Brine and Dorothy Brine of 164 Peachtree Way NE.

Mr. and Mrs. Fred W. Bull, Ellen Bull and Betsy Bull of 495 Westover Drive NW.

Mrs. Mary Bull of Ponce de Leon Apartments.

Mrs. Ezekiel S. Candler of 3796 Club Drive NE.

Mr. and Mrs. William A. Cartledge of 4 Maddox Drive NE.

W. D. Cogland of 874 Vera Street SE.

Mr. and Mrs. Reuben Crimm of 637 Old Ivy Road NE.

Mrs. L. W. Dilts of 505 Timber Valley Road NE.

Paul Doassans, Air France representative in Atlanta, 31 Lakeview Avenue NE.

Mr. and Mrs. Saul Gerson of 1240 Carol Lane NW.

Mr. and Mrs. E. B. Glenn of 15 Vernon Road NW.

Mrs. J. M. Henson of 12 Chatham Road NW.

Mr. and Mrs. Redfern Hollins of 1208 Moores Mill Road NW.

Mrs. Ewing Humphries of 3167 Downwood Circle.

Mr. and Mrs. C. Baxter Jones, Jr., of 3475 Tuxedo Road NW.

Mr. and Mrs. Arnold Kaye of 801 Douglas Road NE.

Mr. and Mrs. Thomas H. Lanier of 2575 Howell Mill Road NW.

Mr. and Mrs. Thomas G. Little of 1215 East Beechwood Drive NW.

Mrs. Hinton Longino of 2983 Habersham Road NW.

Louise Loomis, 239 15th Street NE.

Dr. and Mrs. Allen P. McDonald, 1938 Peachtree Road NW.

Dr. and Mrs. Christopher J. McLoughlin, 417 Hillside Drive NW.

Ruth McMillan, 85 Beverly Road NE.

Mrs. William Meritt, 184 Peachtree Battle Avenue NW.

Mrs. Lawton Miller, of a Peachtree Memorial Drive address.

Mrs. Roy Minier, 35 Walker Terrace NE.

Mrs. Robert Emmett Mitchell, 2025 Peachtree Street.

Ruth Morris, 710 Peachtree Street.

Miss Anna Mulcahy, 2795 Peachtree Road NE.

Mr. and Mrs. David J. Murphy, 87 E. Wesley Road NE.

Robert S. Newcomb, Ponce de Leon Apartments.

Margaret Nutting, 825 Piedmont Avenue NE.

Mr. and Mrs. Del R. Paige, 2952 Howell Mill Road NW.

Mrs. Harvey Payne, 228 Camden Road NE.

Mr. and Mrs. Robert Pegram, 3180 Arden Road NW.

Mrs. P. H. Perkins, Jr., 5450 Peachtree-Dunwoody Road NW.

Homer S. Prater, Jr., 3687 Peachtree Road NE.

Mrs. Marion Pruitt, 3183 Argonne Drive NW.

Mrs. Clifford N. Ragsdale, 2814 Peachtree Road NW.

Mrs. William Richardson, 38 Peachtree Circle NE.

Mr. and Mrs. Roby Robinson, Biltmore Apartments NE.

Mr. and Mrs. W. J. Rooke, 3584 Tuxedo Road NW.

Mrs. Helen Seydel, 15 Lakeland Drive NE.



Mr. and Mrs. Charles A. Shaw, 61 Castle Falls Drive NE.

Mrs. R. K. Stow, 422 Emory Drive.

Mrs. M. D. Therrel, 2000 W. Paces Ferry Road NW.

Mrs. T. L. Tidmore, 86 Sheridan Drive NE.

Mrs. Paul Turner (Margaret Turner), 60 Montgomery Ferry Drive NE.

Mrs. Frank Virgin, 1 Vernon Road NW.

Mr. and Mrs. Sidney Wien and Joan Wien, 3700 North Stratford Road NE.

Mrs. Rosalind Williams, 3945 Club Drive NE.

Mrs. Lysle Williamson, 42 25th Street NW.

Mrs. Walter Wilson, 3349 Piedmont Road NE.

Vasser Woolley, 1071 Techwood Drive NW.

Mr. and Mrs. Sykes Young, 3496 Knollwood NW.

Those not from Atlanta:

Mrs. Theodosia L. Barnett, 2113 Southview Avenue, Tampa, Fla.

Mrs. Leslie Blair, 509 Whitlock Avenue, Marietta, Ga.

Miss Dolly Brooks, Marian Apartments, Griffin, Ga.

Mr. and Mrs. Morgan Cantey, of West Point, Ga.

Mrs. James R. Cowan, 904 Church Street, Marietta, Ga.

Mr. and Mrs. Forrest Cumming, 204 West Poplar Street, Griffin, Ga.

Douglas Davis, of Hapeville and Paris.

Mrs. William I. Hill, of Montgomery, Ala.

Mrs. Mary Ansley Howland, 212 South Candler Street, Decatur, Ga.

Miss Margherita B. Luty, 601 Tasker Street, Ridley Park, Pa.

Mrs. Frank McPherson, of Montgomery, Ala.

Mr. and Mrs. Louis Patz, of Elberton, Ga.

Mrs. L. O. Rickey, 541 Virginia Drive, Winter Park, Fla.

Mrs. William King Self, 701 Peyton Circle, Marks, Miss.

Mrs. Fred Sorrow, of Duluth, Ga.

Mr. and Mrs. Robert Turner, of Marshallville, Ga.

#### SENATOR FRANK A. BARRETT

Mr. McGEE. Mr. President, it was a profound shock to me and, I am sure, to all Wyoming, when we learned, last Wednesday, of the death of Frank A. Barrett, who served in this body, as a U.S. Senator, from 1953 until 1958.

His service to Wyoming dates back to 1923. Like others of us in Wyoming, he had come to that State from Nebraska. In Wyoming, he held elective office, first on the local level, beginning with the year 1923. From that date until the time of his death, unstinting service to Wyoming was his clearly held goal.

In his 39 years of public service, former Senator Barrett was a staunch advocate of the policies which he believed best for his State, for the Nation, and for his party. His dedication to the principles in which he believed should serve as an inspiration to all of us.

Frank Barrett was elected Niobrara County Attorney in 1923. In 1933, he was elected to the Wyoming State senate; and in 1942, he was elected to the U.S. House of Representatives. He served four terms in that body; and then, in 1950, he became Wyoming's Governor. Finally, he was elected U.S. Senator from Wyoming in 1952. Indeed, he is the only man in the history of the State of Wyoming to hold all three of the high offices of the State—first, as a Member of the U.S. House of Representatives; next, as Governor of Wyoming;

and, finally, as U.S. Senator from Wyoming.

His career was indeed a long and notable one in terms of his dedication to the public interest and to service to the people.

Mr. President, I ask unanimous consent that two laudatory editorials be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Laramie Boomerang, May 31, 1962]

#### WYOMING LOSES A FRIEND AND SERVANT

Residents of the State of Wyoming today mourned the death of former Senator, Governor and Congressman Frank A. Barrett.

For, Republican or Democrat, all people in Wyoming have been influenced by the man who held the three top offices in State politics over a period of many years. His devotion to public service in Wyoming is one that will remain a near record for many years for the man from Lusk served in the House of Representatives, then as Governor and later as Senator, a record unequalled in State political circles.

Barrett's tenure in office has had an effect on the State and its people. Barrett worked to solve the problems and needs of all communities regardless of size, during the time he served the State.

Democrats and Republicans were quick in their praise of Barrett and the work he had done and the friends he had made in the State. Barrett was always willing to meet with any person from the State, Republican or Democrat, and each was a friend to the man who for so long had a part in guiding the destiny of the State.

A political leader of Barrett's magnitude is always sorely missed. His death is the third in the Republican ranks over a period of less than 2 years. Men who served the State faithfully and well.

[From the Wyoming Eagle, Cheyenne, Wyo., May 31, 1962]

#### FRANK A. BARRETT

Death, yesterday morning, ended one of the most illustrious political careers in Wyoming's history.

Frank A. Barrett, who served Wyoming for many years as Congressman, Governor and U.S. Senator, died in DePaul Hospital, 9 days after he himself revealed he was afflicted with leukemia. He was 69.

Barrett first went to the State capitol, where his body will lie in state Thursday, as State senator in 1933, after serving 9 years as county attorney in Niobrara County.

Three years later, he made his first bid for a seat in Congress, but lost.

He served on the board of trustees of the University of Wyoming from 1939 to 1943, leaving that post after he was elected Congressman in the 1942 elections.

He was reelected to the U.S. House of Representatives three times before he decided to seek Wyoming's governorship in 1950. Again proving himself one of the Republican Party's greatest votegetters, he won.

In the great Eisenhower landslide of 1952, he ran for U.S. Senator. He defeated former Senator Joseph C. O'Mahoney, and became the first man in Wyoming's history to serve as Congressman, Governor, and U.S. Senator.

In 1958, he ran for reelection but was defeated by Democratic Senator GALE McGEE. It was his first political setback since 1936. But he was by no means through with government and politics.

The following April he accepted appointment as General Counsel of the Agriculture Department in the Eisenhower administration. A year later, 1960, he resigned to make a comeback bid for U.S. Senator. He was

defeated in the Republican primaries by the late Congressman and Senator-elect Keith Thomson.

Even after that defeat, he still was considered a power in Wyoming's Republican party. In fact, he had been mentioned as a possible candidate in the 1962 elections.

Through his long career in public office, he built and maintained a reputation as a thoroughly conscientious public servant, with solid integrity.

He was one of the hardest working public officials ever to serve Wyoming, giving unsparingly of himself and his talents—as Congressman, as Governor and as Senator.

His own accomplishments remain as a tribute to him.

Mr. HICKEY. Mr. President, it was with a deep sense of sorrow that I learned last week in Wyoming of the death in Cheyenne of a former Member of this body, Frank A. Barrett. The news that he was suffering from a serious disease, leukemia, had become known only 2 weeks earlier; and the announcement that the end had come on May 29 was a profound shock to his friends, among whom I count myself, and to the public of Wyoming, who knew Frank Barrett well and had expressed confidence in him many times at the election polls.

The death of this outstanding citizen of Wyoming is a loss to his community of Lusk, his State, and the Nation. Frank Barrett's record of service is an impressive one.

Born in Omaha, educated in the public schools of that city, and in Creighton University, from which he earned both a bachelor's and a law degree, he entered the Balloon Corps of the U.S. Army at the outset of World War I, serving for 3 years. At the end of that conflict, in 1919, he came to Wyoming and hung out his law shingle in Lusk, which town remained his home the rest of his life.

He served Wyoming and the Nation in many different capacities. He was Niobrara County attorney for nearly a decade; he was a member of the Wyoming State Senate, and a trustee of my alma mater, the University of Wyoming. In 1942, he was elected to represent Wyoming in the U.S. House of Representatives, where he served four terms, before resigning to become Governor of Wyoming. Two years later he was elected to this body, where he served a 6-year term. Later, he was appointed by then President Eisenhower to be General Counsel of the U.S. Department of Agriculture and a member of the Board of Directors of the Commodity Credit Corporation.

Frank Barrett was respected and liked by the people of his State. Not only was he chosen by them to hold numerous high positions, but he enjoyed the friendship and affection of his neighbors and his fellow Wyomingites throughout the State. During his service in the Congress he earned the respect and admiration, as well as the friendship, of members of both political parties here. In addition to his public service, and more important, he was a devoted husband and father, and leaves a fine family in Wyoming to mourn him.

Mr. TALMADGE. Mr. President, I desire to associate myself with the remarks

of the distinguished Senators from Wyoming in their tributes to our late departed colleague, Frank Barrett.

I first knew him when he served as Governor of Wyoming and I was Governor of Georgia. Afterward, I served with him in the Senate of the United States. I knew him later, following his retirement from the Senate, when he was an attorney for the Department of Agriculture. I held him in high esteem.

I am grateful for this opportunity to associate myself with the Senators from Wyoming in paying respect to our late departed colleague, whom I regarded not only as a friend, but also as an outstanding statesman.

Mr. LAUSCHE. I, too, desire to associate myself with the statements which have been made. I knew former Governor Barrett and met with him at various times at Governors' conventions. He was a man of integrity, and fearlessness, and was devoted to public duty. I deeply regret his passing.

Mr. KEATING. Mr. President, I want to join the Senators from Wyoming in expressing my regret at the passing of Frank Barrett. Senator Barrett and I were delegates to two or three international conferences when I was serving in the House, and I then learned to know Frank Barrett well, to know his character, his humanity, his dedication, his wisdom and good judgment in the area of both our international and domestic problems. This outstanding son of the great State of Wyoming gave fully and unstintingly of himself to the service of his beloved State and Nation. In the hearts of those of us privileged to have known him his name will ever evoke the memory of an old and cherished friend.

In this hour of bereavement and sorrow, I wish to express to his family my regret at his passing, and my deepest sympathy.

Mr. DIRKSEN. Mr. President, I take note of the passing of our late colleague, Frank Barrett, of Wyoming. I first learned to know him when he was the lone Congressman from the State of Wyoming. He was indefatigable, and made a great record in the House of Representatives. To me it was neither singular nor surprising that in due course the people of Wyoming, for services rendered to every section of his State, finally elected him to the governorship of his State, where he served with great distinction. Nor was it surprising, under the circumstances, that the people of Wyoming should express their appreciation for his services as their chief executive by electing him to the Senate of the United States.

He was an amiable and affable person and, along with those characteristics, he left his mark on the tradition of the United States and upon the history of his own State.

So we mourn his passing as a friend and as a colleague.

Mr. KUCHEL. Mr. President, I join with our Republican leader in the Senate in mourning the passing of one who served in the Senate for many years with great dignity and with charm and effectiveness.

Frank Barrett was able to call all his colleagues in the Senate friends. I had the pleasure of sitting with him as a member of the Committee on Interior and Insular Affairs. I remember well the great vigor with which he championed water legislation, which is of primary benefit to the semiarid West, from which the present Presiding Officer [Mr. METCALF] and I come, and from which other Western Senators come.

Senator Barrett was an able lawyer, particularly in the water field, and much of what he advocated someday will be the law of the land and will be in the interest of the people of the area of the country represented by Senators from the West.

In addition to that all of us knew his family. It is to those in his family, whom he leaves behind, that all of us send our profound condolences on the occasion of his passing.

#### TRIBUTES TO THE LATE SENATORS FRANK A. BARRETT AND HENRY FOUNTAIN ASHURST

Mr. MANSFIELD. Mr. President, I wish to join my two distinguished colleagues from Wyoming in noting the passing of our former colleague in the Senate, Frank Barrett.

Senator Barrett and I came to the House together 20 years ago. I found him to be a good, decent, Christian gentleman. I know that we will miss him deeply and that the people of his State and of the West will remember him for the many contributions he made to their well-being.

Mr. President, I also wish to join the distinguished Senators from Arizona in noting the passing of our late colleague, Henry Fountain Ashurst, a man who made a mark for integrity and oratorical ability; a man who kept his sense of humor and tolerance at all times; a man whom we were delighted to meet after he left the Senate, because of his memories, his stories, and the fact that he was always interested in what went on in this body, although I believe, if my memory serves me correctly, that he never visited the Senate after he retired.

In the passing of these two former Members of the Senate, we have lost individuals who lent much to their respective States and the region which they so ably represented.

#### HENRY FOUNTAIN ASHURST

Mr. DIRKSEN. Mr. President, I noted with real distress the passing of the late Senator Henry Fountain Ashurst, of Arizona. He was one of the most remarkable men I have ever known. There were an amazing grace and incomparable charm about him that were almost Victorian in character. He had an unusual command of language in which he could spell out clearly and with appropriate imagery nearly every truth that ever came into his mind.

What is even more amazing is that this quality of character persisted almost undimmed and undiminished to the time of his death. As I recall, he was

87 at the time of his passing. To few men has been given that facility, kept intact, through so many years. I remember the last dinner I attended with him. What a genuine, charming utterance he made on that occasion, as if he were 30 or 40 years younger and at the very height of his capacity in that field. He made a deep impression on this generation, and I know there are many who will mourn his passing.

#### FEDERAL TAX CUT PROPOSAL

Mr. MILLER. Mr. President, in the June 1 issue of the Des Moines Register the lead editorial makes an excellent point regarding the talk going around about possible tax cuts. The point is that there should be a real tax cut and not a fake one in which other taxes would be boosted to make room for cuts. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

##### FEDERAL TAX-CUT PROPOSAL

The suggestion by Secretary of Commerce Luther H. Hodges that the Kennedy administration should move quickly to reduce corporation and individual income taxes seems to have been designed to stem the skid in stock prices.

That skid was reversed on Tuesday—or temporarily interrupted. Nobody knows for sure which at this time. The Hodges proposal could help restore business confidence if it is followed up by something more specific.

The Hodges statement was the first official confirmation of rumors that have been circulating for several weeks that President Kennedy will recommend a tax reduction to Congress before it adjourns.

One business advisory service has reported that the President will recommend a 25-percent reduction in individual income rates at all levels and an 8½-percent reduction for corporations.

Administration economists and others who have been urging a tax reduction believe it would stimulate consumer spending and business expansion. The shocking break in the stock market has added other arguments. One widely held explanation of the skid in stock prices has been a general loss of confidence by businessmen and investors in the future prospects for earnings.

Since the squabble over steel prices, considerable attention has been given to the decline in business profits over the last several years. Although business generally has been good the past 12 months, average net profits after taxes are down to 4.5 percent, compared with a 7.2-percent average from 1947 to 1951 and a 5.2-percent average from 1951 to 1956.

These comparisons, together with the decline in the average rate of dividends to less than 4 percent, are believed to have contributed to the big sell-off during the last week.

Then, some members of the administration, such as Secretary of Commerce Hodges, have become convinced that an early announcement of a contemplated tax cut could produce the double-barreled result of both halting the break in the stock market and contributing to the economic growth desired by President Kennedy.

A tax cut would mean an increase in the Federal budget deficit, of course, but that is what its proponents want. They argue that Federal tax rates are now so high that at anything like full employment a budget sur-



plus of \$10 billion a year would be created. It is also argued that the present deficit is fictional if one considers the Government investment in permanent public works, like the interstate road system, separately from the operating budget.

Thus it is held that a sizable deficit in the Federal budget the way it is now figured is not inflationary. On the contrary, the tax-cut proponents argue, a deficit is needed to stimulate private investment. At present tax rates, they say, any boom is nipped before it can really flourish.

Whether these arguments are sound is open to question, but a real tax reduction, not a fake one in which other taxes would be boosted to replace the cuts, might be a confidence-builder right now. A tax cut has been a long, long time coming.

#### NEED FOR MEANINGFUL TAX CUTS

Mr. MILLER. Mr. President, the lead editorial in last Sunday's Fort Lauderdale News is timely and sound. It points out that there is a need for meaningful tax cuts, but that without cutting Government spending it will not be meaningful and will only add to the terrible financial burdens being passed on to future generations. I ask unanimous consent that this excellent editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX CUT NEEDED BUT NOT AT THE EXPENSE OF OUR CHILDREN  
(By Jack W. Gore)

During this past week it became rather apparent that, despite some words to the contrary from Secretary of the Treasury Dillon, the Kennedy administration was giving serious thought to pushing for a substantial and rather quick tax cut in an effort to spur the Nation's economy.

Some usually authoritative sources indicated that not only would cuts be proposed in the individual income levies but in the corporation tax rates as well.

The only fly in the ointment is that the administration isn't thinking about cutting Federal expenditures to make up for the revenue which would be lost by the tax cut.

Instead, the cut would be made at the expense of hiking the national debt that much further.

With the need for a substantial tax cut few will argue. Even Mr. Kennedy, himself, posed the question a short time ago whether our present tax system acts as a stimulant on the economy or a drag.

Most businessmen will flatly say it acts as a drag because with the Federal Government a 52 percent partner in most corporation profits, that doesn't provide a whole lot of incentive for business to go out and borrow funds necessary for capital improvements to increase their production and their sales.

A drop of just a few percentage points in the corporate tax rate structure will undoubtedly produce beneficial results. And, if individual income tax rates are also cut across the board, this will leave a lot more money in the hands of individuals most of which will be put back into circulation through regular trade and investment channels.

Past experience has shown that a substantial tax cut seldom affects the Treasury as much as might appear at the time the cuts are made. This comes about because the tax cut usually stimulates the economy to the point where more people and more business concerns make enough additional money to return almost as much to the Treasury in taxes as they did before the cuts were made.

In other words, there is a point of diminishing returns in the tax rates as there is in other fields, and present tax rates are certainly high enough to make experts wonder if the point of diminishing returns hasn't already been encountered.

It would be far better, of course, if a tax cut could be financed without the necessity of the Federal Government running deep into red ink in its budget. That could be done if Government officials would just cut out some of the unnecessary and frivolous spending programs they are pushing.

But nobody in the administration wants to do that. Foreign aid, for instance, could well be sliced by over \$2 billion a year without, in our opinion, any real harm being done. But even though one of the new African nations had to warn its businessmen a few weeks ago that American foreign aid money wasn't supposed to be used to provide themselves with additional wives, our foreign aid people just won't accept the fact much of our money is being wasted or being frittered away on completely unproductive and unrealistic programs.

Much the same is true about some of our high-cost domestic programs. Billions could be saved each year by restoring some common sense and fiscal sanity to our ridiculous farm program. Millions more could be saved each year by revising civil service regulations so that governmental departments and bureaus could get rid of unnecessary employees.

We should have a law on the books requiring the Federal Government to live within its income except in times of war or grave national emergency. Some Congressmen have been pushing for just such a law for many years but they have gotten absolutely nowhere with it.

If there was such a law we wouldn't be faced with the spectacle of administration lieutenants trooping up the Hill twice in 1 year to seek a new temporary ceiling on the national debt. The temporary ceiling was raised to \$300 billion just a couple of months ago but this week Treasury Secretary Dillon was right back asking for another hike to \$308 billion.

With the Nation's economy lagging behind the recovery pace that the President and his economic advisers seem to think is advisable, it is not surprising they want to get things rolling ahead at full steam in order to avert a possible recession sometime next year.

We don't question the advisability of a tax cut as one has been long overdue both on personal and corporate incomes. But passing out a tax cut without taking measures to cut Government spending is just going to add more burdens on the shoulders of our children and their children. The growing size of the national debt cannot be overlooked at infinitum. It won't go away of its own accord and the only way it is going to be kept within the bounds of reason is for the Government to quit spending more than it takes in every year.

#### "A THOUSAND SPRINGS"—BOOK WRITTEN BY MRS. ANNA CHENNAULT

Mr. MILLER. Mr. President, one of the most promising new books to come off the press is "A Thousand Springs," written by Mrs. Anna Chennault, widow of Gen. Claire Chennault, who commanded the 14th Air Force "Flying Tigers." In the June 1 issue of the Des Moines Register there is an interesting article about this gracious lady, known as Anna to her many friends, and I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"MARRIAGE SUCCESS UP TO WOMAN"—ANNA CHENNAULT  
(By Dorothy McCordle)

WASHINGTON, D.C.—Madame Claire Lee Chennault, widow of the controversial American general of Flying Tiger fame, believes that success in any marriage depends far more upon the woman than upon the man.

"Seventy percent of the burden for a good marriage rests with the woman," this lovely Chinese woman says.

"Only 30 percent of the responsibility is up to the husband."

#### LUCKY 13

We were discussing her new book, "A Thousand Springs," just published by Paul S. Eriksson, Inc. It is her 13th book, but her first to be written in English. She has intense feeling for this book because it is the great love story of her life and of the life of a great American whom she married.

Besides, that number 13 has special significance to the Chinese. It is a lucky number.

The book is an exquisite love story of a romance and marriage against a background of war. It tells of a man's devotion to a woman, a devotion that linked East and West, and his rugged fight against what he believed to be the world's greatest enemy today—communism.

Her book has meaning for every marriage in every land. When she was a bride of 24, newly married to a brilliant military man in his 50's, her husband said this to her: "I ask two things of you, darling. One, always remain a Chinese wife. Two, keep your beautiful, slim figure."

#### ORIENTAL CONCEPT

She explains that by "Chinese wife" he meant "a wife who would let him be the boss instead of trying to run things herself, as so many women seem to do."

"A Chinese wife's first and most important characteristic is obedience—not servility or subservience," she writes.

It is "simply the knack and virtue of letting her husband feel that he is truly the head of the family."

She explains further: "In the Chinese tradition, a wife avoids argument with her husband, holding him by love, understanding, devotion, and a conscious willingness to let him make the family decisions and lead the way."

She sums up the wife's role as combining "the tact of a diplomat and the tactics of a psychiatrist."

During social gatherings, she says, a wife "may join in discussions of politics, but never to the extent of engaging in heated debate with her husband, lest she cause him to lose face, or create the impression that she and he are in disagreement, thus making them both lose face."

"This philosophy may sound old fashioned to many women in the Western World, particularly American women," she writes, adding, however, that "it not only was General Chennault's view, but, in my opinion is a view shared by most men, East and West."

The American Air Force general and his beloved Anna, whom he called Little Jade, had 10 years of marriage which was a true partnership before his tragic death from cancer in 1958.

Madame Chennault now lives here in Washington with her two young daughters in an apartment she designed herself. It is really two large apartments thrown together. The drawing room is dominated by a Chinese moon gate, a circular doorway which faces an almost life-size portrait of her late husband in uniform.

The moon gate doorway is a symbol of happiness in China. She has had it built in her home here as a symbol to her daughters, Claire, 13, and Cynthia, 12, of all their famous father meant to them and to her.

#### POEM QUOTED

The title of her forthcoming book has the same symbolism. She takes it from a Chinese poem by Wong Wei, who wrote:

"In the mountain a night of rain,  
Above the tree-tops a thousand springs."

"I am a fortunate woman," she writes in the preface, "for I was married to a great man who deeply loved me."

"Most men who have great things to accomplish have no time for small things, little time for tenderness. The many little things this great man did to make me happy, the many tenderesses he showed me, made my life with him a joy and fulfillment."

On the final page, she quotes the poem and ends:

"Our life together was like a Chinese poem. \* \* \* In my heart there are a thousand springs."

#### FLEW "HUMP"

Anna Chan, daughter of a highly placed diplomatic family of old China, was 19 years old when she was assigned by a Chinese news agency to report on the commanding general of the U.S. 14th Air Force, who had been saving thousands of Chinese lives during World War II.

He was a tall, rugged personality with sudden kindness in his piercing eyes. He had been making history, flying the "hump" between India and China and training China's young pilots to fight the Japanese.

First as a newspaperwoman and after the war as the woman General Chennault came back to marry, she tells her story with the finesse of a novelist.

Anna Chennault is a novelist. Her 12 previous books written in Chinese are fiction of a high order. She is already at work on her 14th book, her 2d in English. It is a novel against the background of World War II, in which her husband's great military exploits will play their part, disguised as fiction.

The beautiful and determined woman kept faith with Claire Chennault in his two post-wedding-day requests.

#### SLIM FIGURE

She has been a Chinese wife, a true partner. After her marriage she handled all the public relations of the new CAT airline which Chennault and a group of dedicated men established in war-torn China.

And she still has that same slim figure which tight-fitting Chinese sheaths demand of the wearer. She watches that figure today, more through exercise than through diet.

As a dress designer, fusing Chinese and American chic, she is in great demand. But today she only designs for charity.

She recently completed a series of 100 fashion designs for her government, to be shown in Latin America.

She has a host of friends in Washington who are constantly trying to lure this young and attractive widow to meet eligible young men. She isn't interested.

She fills her life with a part-time job at Georgetown University, which employs her gift for languages; with writing and staying home most nights with her daughters, and with sending back to Taiwan newspaper reports on political, economic, and human-interest subjects.

She maintains a home in Taiwan, where she takes her daughters each summer, but she wants to bring them up in the cosmopolitan atmosphere of Washington, D.C. It was her husband's wish that they have an American education without ever forgetting their rich Chinese heritage.

## STUDENTS WORKING THEIR WAY THROUGH COLLEGE

Mr. MILLER. Mr. President, in last Sunday's issue of the Miami Herald appeared an article by G. K. Modenfield, Associated Press editorial writer, which points out how thousands of young men and women are working their way through college today. The article should serve as an inspiration to those who are beginning to doubt that they can ever obtain a college education unless the Federal Government spends millions of dollars for scholarships and other forms of financial grants. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT CAN BE ROUGH, BUT—THOUSANDS WORKING THEIR WAY TO GAIN COLLEGE EDUCATIONS

(By G. K. Modenfield, Associated Press education writer)

URBANA, ILL.—It is still possible to work your way through college without loans, grants, scholarships or help from your parents.

The proof: Thousands of students do it every year. But it can be rough.

It may take you 5 years instead of 4. Your grades may suffer (although not necessarily). Your social life may be limited. You may miss a lot of rah-rah fun of college, as well as more serious extracurricular activities. You may be limited in the choice of colleges you can attend.

But it can be done, and the rewards are great.

Dennis S. Acuncius is doing it here at the University of Illinois.

"The only way I could go to college was to work my way through, and I realized the only way I could ever amount to anything was to go to college," he said in an interview.

Nancy Walsh is doing it, too.

"I realized while working a year (before entering the university) that I would have to go to college to get anywhere," she said. "I don't have time to participate in campus activities, and I have no time for my favorite recreation—bowling and outdoor spectator sports. But I have never been tempted to quit school."

William O. Baillie is another making it on his own.

"Having to work my way through makes me want to go to college just that much more," he said. "My social life suffers from having to work and study a lot, but that can wait. Getting a good, well-rounded education is the most important thing to me."

There is nothing new, of course, in working your way through college. During the depression it was the accepted thing.

Even today an estimated one-third of all college students hold down a job during the school year.

But somehow it has become "less fashionable" than it used to be to put yourself through college, according to a group of experts who met here recently.

Student employment directors, from a number of Midwestern universities said, "We believe it is high time that the benefits of working one's way through college be re-emphasized."

"Too many students failing to get a loan or a scholarship simply do not go to school. Far too many of our dropouts fail to even investigate the possibilities of part-time and summer employment."

One reason probably is all the publicity that has been given to the rising costs of college.

College costs have risen, tremendously, but so have the salaries paid working students. It has never been easy to work your way through college, but it probably isn't any harder today than it was when dad was a freshman.

In the late 1930's, the typical wage scale for students working campus jobs was 30 cents an hour. Today it is near \$1.25 an hour. The going rate on a board job in the 1930's was 3 hours work for three meals. Today a student can earn enough for three meals with only 2 hours work.

"We firmly believe that it is possible for a student to finance his own college education through a combination of part-time work—about 15 hours per week—during the academic year and a full-time job during the summer months," says John R. Griffin, assistant dean of students at Illinois.

There probably isn't a working student on any campus in the country who doesn't think he could get better grades if he weren't working.

But the student employment directors disagree. Because a working student must budget his time as well as his money, they said, he tends to develop stronger study habits.

The working student should realize that the prestige-laden private colleges and universities—where tuition, room, and board alone can cost \$2,000 a year or more—are out of his financial class.

Many smaller, less expensive (but still excellent) private institutions are in small communities where job possibilities are limited.

All things considered, the best bet for a working student probably is a public college or university within his own State. Tax-supported institutions are able to keep student costs to a minimum, and most are large enough to provide student employment.

## TRIBUTE TO AIR FORCE PERSONNEL

Mr. MILLER. Mr. President, in the New York Journal American for Sunday, April 8, appeared an outstanding article by the distinguished writer and columnist, Bob Considine, paying tribute to the air and ground personnel of the U.S. Air Force.

The dedication to country and devotion to duty of the pilots and air crews of our Strategic Air Command bombers and the men and women who support them is the key to the deterrent capability of the United States against the use of military aggression by the leaders in the Kremlin.

These preservers of the peace are unselfish public servants. They are not demanding 35-hour weeks with 40 hours' pay. Most of them could be making more money for themselves and their families in a more secure job in private industry. Something else keeps them going—the love of their country and the realization that preservation of a just and lasting peace is the most noble of undertakings.

I ask unanimous consent that this splendid article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THEY PLEDGE LIVES AND FORTUNES TO KEEP US FREE

(By Bob Considine)

DOW AIR FORCE BASE, MAINE.—One reads these days of strumpets, cuckolds, muggers, dope pushers, and larceny in high places, and one tends to despair over the direction in which we seem to be decaying.



But a trip to a place such as this great airbase on the edge of the wilderness serves as a reassuring, even inspirational antidote to the shoddiness of the times. Here men pledge their lives and, to a great degree, their fortunes to the proposition that America and the free world are worth protecting and—if attacked—shall strike back with resolution and colossal strength.

There is hardly a pilot, copilot, air crewman, ground crewman, maintenance man, administrator, hash slinger or nurse assigned here who could not make more money more pleasantly and more easily in a less hostile and sunnier section of the country.

But they stay at their jobs. It has been cruelly suggested that military people devote so much of their lifetimes to the service because the service takes care of them, offers them security and, in time, a pension. Well, there's precious little security, or perhaps even not much of a future, flying a supersonic F-101 or a nuclear bomb-laden B-52G on endless real lifelike missions from a strip that is often as icebound and fog-enshrouded as some lost land in the Antarctic.

Ask almost any man from the Strategic Air Command why he works a 70- to 80-hour week under often perilous circumstances, with no overtime pay and the perpetual cross of having to keep his efficiency score up to snuff, or suffer demotion, and he will shrug and say, "Well, somebody's got to do it."

We had an early breakfast the other day with a B-52 crew composed of six of the most intelligent, clean-cut Americans you could hope to meet in this or any other period.

Each was outstanding in his role within that gigantic bomber and missile launcher that was parked hardly 30 yards from where we ate.

The crew had been on alert there for 4 days and nights. They would have to stay ready for another 3 days and nights. They would not leave the immediate area of the plane during that period. They attended 6 hours of classes each day, to add a fresh edge to their already great knowledge of their several jobs. They dressed in the light coveralls that are worn beneath flying suits. Their suits hung near their beds, along with their helmets, boots, gloves, oxygen masks. They could expect to be klaxoned out of their bunks or wherever else they might be, without warning, at least twice during the week.

For them, as for other SAC crews around the world, there are no longer any aimless flights. The day of the training stint is just about done. When the horn sounds, the crews on alert start to war. This particular crew had proved, more than once, that it could be roused from sleep, suit up, scramble into the plane, start its eight engines, activate its indescribable electronics systems, and taxi away in under 5 minutes.

They might not know for 5 or 6 hours later, as they approached the prime target and its auxiliaries, that this was not the real McCoy. Then back to Dow, their fuel tanks replenished by a risky drink from a lumbering K-97 tanker—perhaps hundreds of miles out over a stormy ocean. Then to find Dow's strip, somewhere down there, and put the 400,000 pound (plus) bomber gently on the earth, its mixture of H-bombs and A-bombs intact.

A hard life, but they accept it and stick with it in the face of the blandishments of civilian life, because, well, "Somebody's got to do it."

A hard life, but a proud one, too. They have developed, in this tense peace, an esprit de corps acquirable usually only in war. Col. Harry R. Burrell, commander, 4038th Strategic Wing (SAC), took us to one of the officers' dine-in formal dinners Tuesday night and it was almost like something

out of the days when the RAF was winning the Battle of Britain.

No smoking until after the main course. There were toasts to the President, to the Air Force Chief of Staff and to various units that had outperformed others. It was a man's dinner, attended by gentlemen who—at a time when there would appear to be reason to doubt the goodness of their land—would lay down their lives to defend it.

#### AID PROBLEMS IN THE FREE WORLD

Mr. MUSKIE. Mr. President, as the Senate takes up the Foreign Assistance Act of 1962, it may be well for us to take a look at what other free world nations are doing in the important business of strengthening the economies of the underdeveloped countries. Too often we assume that the United States is carrying the burden alone.

Frank M. Coffin, Deputy Administrator of the Agency for International Development, and former Congressman from the State of Maine, has provided us with an up-to-date report on the activities of our allies in the foreign aid field. Mr. Coffin was a member of the Foreign Affairs Committee during his two terms in the House. He is an authority on the Common Market. He recently made an on-the-spot survey of aid activities in Europe, Canada, and Asia.

Last Sunday, June 3, the Washington Post published an article by Mr. Coffin on his findings. I commend it to the attention of my colleagues as a concise and illuminating discussion of foreign aid by an able and articulate student of the problem.

Mr. President, I ask unanimous consent that the article by Frank M. Coffin, entitled "Allies Are Carrying Their Share of Aid," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### ALLIES ARE CARRYING THEIR SHARE OF AID (By Frank M. Coffin)

In the history of nations, a decade and a half is a short time for a wheel to turn full circle.

Fifteen years ago, on June 15, 1947, Secretary of State George C. Marshall, in a commencement address at Harvard, confronted the American people with a problem, a task, and an opportunity.

Speaking starkly and pungently, he said: "The truth of the matter is that Europe's requirements for the next 3 or 4 years of foreign goods and other essential products—principally from America—are so much greater than her present ability to pay that she must have substantial additional help or face economic, social, and political deterioration of a very grave character."

"The remedy lies in breaking the vicious circle and restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole."

Seldom in great public matters have diagnosis of the problem, prescription of the remedy, commitment to action and predicted results occurred with such precision.

#### THE UNTOLD STORY

Today Europe, long since rebuilt and growing fast in economic strength and toward political unity, is joining with us, Canada,

and Japan in recognizing a larger common problem, task, and opportunity. The problem is the poverty and despair of one-third of the peoples of the world. The task is to create confidence that all nations can best develop in freedom. The opportunity is to mobilize the energies, knowledge, and resources of those who have and those who need.

Americans know only part of this story. We know the story of our part in the post-war recovery of Europe and Japan. We know the stories of their fantastic growth and increasing competition. We do not know the story of free world foreign aid. And yet the idea of foreign aid is one of our most significant and durable exports.

We responded generously to the challenge of the Marshall plan. Most Americans took pride in this effort. We have finished that effort and shifted our help to the poorer nations.

As a nation, we are 150 percent richer than when we launched our aid to Europe. Each American today is contributing less than half as much for economic aid as he did between 1946 and 1951. And yet there is a tendency for our early pride and enthusiasm to yield to doubt and self-criticism. Much of this stems from the feeling that we are bearing the whole burden; that Uncle Sam has become Uncle Sucker.

It was to test this belief, to winnow fact from fancy, that Fowler Hamilton, Administrator of our new Agency for International Development, sent me last winter to visit the capitals of Germany, France, England, Belgium, Italy, Japan, and Canada—an unprecedented itinerary for an official concerned with aiding developing countries. It was difficult to explain to colleagues preparing for the rigors of sub-Saharan Africa or volatile South America. I had to remind them that United States aid officials had to be just as concerned with countries which could give aid as with those which needed aid.

The high point of this tour was DAC, the Development Assistance Committee of the 10 aid-giving nations of Europe, Japan, Canada, the Common Market, and the United States, with the World Bank as an interested observer. Located in Paris, it seeks to provide a forum, a fact-gathering center, a conscience and an instrument for coordinated aid action by its members.

The basic lesson learned was that the task of helping the newly developing countries is now accepted as a normal function of industrialized nations. It has become part of the fabric of responsibilities of both governmental and private sectors in all the countries I visited.

#### AN EXPORTED DIALOGUE

As a member of the House Foreign Affairs Committee, I used to join in the annual dialogue with the executive branch on foreign aid. I sometimes think we could have substituted a long-playing record.

On side 1, the legislators would complain about waste, ungrateful recipients, our ability to afford aid, our problems of unemployment, the difficulty of persuading constituents, and the rigidity of bureaucracy. On side 2, the executive spokesmen would talk about their efforts to improve their organization and procedures, the nature of the threat to a free world, the dangers of cutting their budget estimates, and the progress made in countries being helped.

The point I make here is that precisely the same dialogue is now going on in the countries I visited. There are aid ministers arguing with finance ministers, Cabinet meetings on the aid budget, parliamentary committees and debates on aid, interminable aid missions from underdeveloped countries, newspaper articles, and public discussion.

The figures tell part of the story. According to the Organization for Economic Cooperation and Development (the successor to the Organization for European Economic

Cooperation, which administered the Marshall plan, now enlarged to include the United States and Canada), its 19 members other than the United States contributed \$2.3 billion of economic aid in 1960, compared to our own contribution of \$3 billion. The first figure represented an increase of \$1 billion or 73 percent since 1956, compared to our own increase of \$0.8 billion or 39 percent.

Even more remarkable is the fact that if we consider total resources, both private and public, channeled into developing countries, those from Western Europe, Canada, and Japan amounted to \$4.4 billion in 1960, compared to ours of \$4 billion.

In terms of percentage of gross national product devoted to aid, our OECD partners and Japan increased their giving from 0.46 percent in 1956 to 0.64 percent in 1960 while the U.S. effort rose from 0.51 percent to 0.59 percent. Contrary to the view of the average American taxpayer, the proportion of our gross national product devoted to economic aid is not the highest in the world. Here are the top 10:

	Percent
France.....	1.59
Portugal.....	1.52
Belgium.....	0.85
United Kingdom.....	0.64
United States.....	0.59
Germany.....	0.56
Netherlands.....	0.47
Japan.....	0.44
Italy.....	0.42
Canada.....	0.21

(These figures include grants, loans over 5 years, contributions to international organizations, reparations, consolidation credits and purchases of World Bank securities.)

Behind these figures lies a postwar, post-colonial discovery by the West of the significance of over a billion people, mostly undetermined as to the form of their government, mostly of skins other than white, mostly of faiths other than Christian but all churning in a molten substructure of want, ignorance, illness, frustration, and determination to build better lives.

New initiatives growing from this discovery are motivated by a blend of idealism and realism; of commercial advantage, national prestige, enlightened self-interest, and moral obligation. And not the least of the well-springs is this sense of moral obligation that has pricked the conscience of the individual.

This seldom becomes articulate. It is illustrated by the story told me in Germany of pastors in the Ruhr Valley who set aside one Sunday for the support of voluntary aid projects overseas. Their collections exceeded their highest expectations.

Each country visited seemed to be responding to this responsibility in several ways. The Federal Republic of Germany, troubled as it is by the Berlin specter, had just taken the amazing step of quadrupling its aid commitments—from a little over \$0.3 billion in 1960 to almost \$1.4 billion in 1961.

It had also just created a new Ministry of Economic Cooperation to centralize its aid activities in 40 countries. One German official said that his working routine was upset at least once a week by the visit of some African economic mission.

German businessmen also are exploring opportunities overseas, often aided by credit guarantees and tax incentives.

The top aid country, proportionately, is France. Despite her problems in Algeria and Tunisia, she has maintained a level of from \$800 to \$900 million a year for economic assistance overseas. The percentage in terms of France's gross national product is almost three times that of the United States. A new Ministry of Cooperation has just been created.

Our own AID is just entering the field of systematic research of development activities; France already spends about \$10 million

a year for this purpose. One measure of France's commitment is the 30,000 French teachers, civil servants, and experts in Africa and Indochina. This is over four times the number of Americans directly employed in our own AID programs.

Like the Germans and the French, the British have broken through the barriers of established bureaucracy to create a new Department of Technical Cooperation which is staffed by some 700 experts and supporting personnel. Despite her balance-of-payments problem, Britain's current aid level is over \$400 million yearly.

Even in Belgium, torn by troubles in the Congo, the forward-looking influence of Prime Minister Spaak has resulted in a new Office for Development Cooperation and a high-level council of expert advisers. Belgium have over 3,700 technicians and teachers in the Congo, Rwanda, and Burundi and almost 2,000 Africans in Belgium as students or on-the-job trainees.

Here is a nation with one-twentieth the population of the United States with half as many nationals in economic aid activities overseas.

The European Economic Community, or Common Market, is another aid-giving "country." This six-nation entity has its own aid program for African countries and its own fund, with commitments averaging over \$100 million a year. It finances some 350 scholarship trainees a year and hopes soon to triple this rate. It plans a new Common Institute of Development to include both giving and receiving nations.

Italy, plagued with the political, social, and economic problems of its own south and feeling its way under Prime Minister Fanfani's "opening to the left," is nevertheless showing signs of an aid awakening. It has been financing a significant volume of exports to less developed countries but it needs to program its aid more effectively while at the same time offering terms that are within the realistic repayment capacity of the countries assisted.

Japan shares some of Italy's problems of intensive growth, preoccupation with domestic issues and an approach to aid largely outside the budget, through export credits and guarantees. However, it has established an Oversea Economic Cooperation Fund and an Economic Cooperation Bureau in the Foreign Office. Its Export-Import Bank has available some \$350 million for medium-term lending.

From the start of its technical assistance program to last October, some 3,500 foreign trainees and students studied in Japan while almost 500 Japanese experts served in less developed areas of the world. Ten technical training centers have been set up overseas and three more are planned.

Canada is in the anomalous position of being the second richest country per capita in the world but with only one-fifth of 1 percent of her gross national product devoted to foreign aid. Progress has been made with the passage last year of a \$200 million export credit program and the establishment of an External Aid Office. Canada has much more to offer a real free world aid movement.

There are efforts in countries other than the seven I visited to participate in this movement. Scandinavia, Israel, and the Netherlands are among them. There are also the important international efforts of the United Nations Special Fund and Technical Assistance Programs, the World Bank, its International Development Association and the Inter-American Development Bank.

But there are serious problems. Some countries think too much in terms of trade advantage. All of them maintain too strict lending terms of repayment and interest to allow sustained development to take place. Some are addicted only to loans, other only to grants.

There is a tendency for aid-giving countries to assist only those nations to which there are special ties. There is too little agreement on the kinds of aid which best serve various stages of development.

Free world aid is like a flotilla of ships vaguely trending toward a distant port with each vessel under different sailing orders. What is needed is at least a central operations room where all courses can be plotted and collisions avoided.

Such a center is the Development Assistance Committee. Evolving over the past 2 years, it may well rank as one of the great initiatives taken by the free world, together with the Marshall plan, NATO, the Common Market and DAC's parent OECD.

DAC's unique place in international aid is based on the fact that it has direct access to its member governments. Officials at senior levels of government frequently attend its meetings. It is therefore an instrument which can be used not only to increase the level and effectiveness of the aid programs of its own members; it can also strengthen the national support given such organizations as the United Nations, the World Bank and its soft loan affiliate, the International Development Association.

Important steps have been taken by DAC. In March 1961, it recognized the concept of a "common aid effort" by all its members. It is now taking the first step to breathe life into this concept by conducting an annual review of the aid program of each member country.

DAC members are also vitally involved in the creation of an OECD Development Center, a study of technical cooperation in Latin America and consideration of a program of investment guarantees applicable to all its members.

DAC is not confining its role to examining, thinking, and discussing, however. Under a resolution passed in January, its members are prepared to form coordinating teams for efforts in various countries. DAC hopes soon to have teams working on at least one country in each of the major developing regions of the world. These teams will consider the problems and needs of the country, the aid programs of the donors and ways in which they can pool their efforts more effectively.

The United States views DAC as indispensable to the task of mobilizing free world aid resources. U.S. Ambassador James Riddleberger is chairman of DAC. A high-level American team headed by Ambassador John Tuthill represents us at DAC in Paris. And our Agency for International Development has a specific organizational unit concentrating on matters coming before DAC.

It will be through a combination of discussion and action, of putting their money and their skills where their discussions lead them, that DAC's members can create a movement rivaling in achievement the historic awakenings of exploration, migration, and intellectual awareness. For this will be an awakening to action for one-third of the human race.

And all of this is but the extension of the logic of General Marshall's historic words at Harvard 15 years ago.

#### WIRETAPPING LEGISLATION

Mr. MUSKIE. Mr. President, as a member of the Permanent Subcommittee on Investigations of the Committee on Government Operations, I have participated in a number of hearings related to the problem of controlling criminal activities, and illegal gambling. Increasingly, I find, we are confronted by the dilemma of providing adequate tools for law enforcement officials without infringing on basic civil rights.



Nowhere is the problem more acute than in the area of wiretapping. Before any action is taken on proposed legislation dealing with wiretapping, the whole subject should be given a full discussion and searching debate.

Today, I offer for the consideration of my colleagues, the cogent arguments of the Attorney General for his position and for the proposed law which he favors. I do this in an effort to contribute to the discussion of the issue.

The Attorney General's arguments appeared in an article by him in the Sunday, June 3, edition of the New York Times. I ask unanimous consent, Mr. President, that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ATTORNEY GENERAL'S OPINION ON WIRETAPS  
(By Robert F. Kennedy)

In 1959, while inspecting a fire alarm station, the fire chief of a large western city made a startling discovery. The recording system had been rigged to record not only fire alarm calls but also all calls on the chief's private line. The chief looked further. He found a recording tape on which was transcribed a personal telephone conversation between him and a U.S. Senator.

The Department of Justice discovered the identity of the wiretapper—but was forced to close the file on this case last September without any action against him. He could not be prosecuted under the present Federal wiretapping statute, which should protect against such gross invasion of individual privacy, but does not.

Last fall, District Attorney Frank Hogan of New York City developed a strong case against seven of the top narcotics distributors in the country—men who had operated a multimillion-dollar narcotics ring in the New York City area for more than 5 years. Yet on November 14, Mr. Hogan abandoned his prosecution of the seven men. Much of his evidence came from wiretapping and—although the wiretaps had been authorized by a court, as is permissible in New York—he felt he could not introduce this evidence without committing a Federal crime.

In other words, the men could not be prosecuted because of the present Federal wiretapping statute which should permit reasonable use of wiretapping by responsible officials in their fight against crime, but does not.

Clearly, there is almost no one who believes this law, which enhances neither personal privacy nor law enforcement, to be satisfactory. Indeed, bills to change it—section 605 of the Federal Communication Act—have been introduced in virtually every session of Congress since it was passed in 1934. But the present law has remained on the books, the beneficiary of the stalemate resulting from an emotion-hardened debate on the question of wiretapping that has gone on between absolutists for decades.

It is easy to take an absolute position on wiretapping. Some, concerned with encroachments on individual rights by society, say wiretapping of any kind is an unwarranted invasion of privacy. Others, concerned with a rapidly rising crime rate say law-enforcement officers should be free to tap telephone wires to gather evidence.

The heart of the problem—a proper balance between the right of privacy and the needs of modern law enforcement—is easy to see. It is not so easy to devise controls which strike this balance. But it is not impossible, either, and I believe that in the wiretapping bill which the Department of Justice has proposed to Congress we have formed such a balance.

There is no question that the telephone is an important asset to criminals. Here is an instantaneous, cheap, readily available and secure means of communication. It greatly simplifies espionage, sabotage, the narcotics traffic, and other major crimes.

I do not know of any law-enforcement officer who does not believe that at least some authority to tap telephone wires is absolutely essential for the prevention and punishment of crime. There are over 100 million phones in the United States and the bulk of business is transacted over the telephone. Increasingly, this business includes crime—the organized criminal and racketeering activities, involving millions of dollars, which are among our major domestic problems. Without the telephone, many major crimes would be much more difficult to commit and would be more easily detected.

Last year, Congress enacted five of eight crime bills proposed by the Justice Department. One of these laws recognized that the telephone is a major tool of organized crime and prohibited the use of the telephone for interstate transmission of gambling information. The President signed the bill on September 13. Almost immediately, several operators of major gambling services went out of business or curtailed their activities. The result has been that organized crime has been dealt an effective blow where it hurts—in the pocketbook.

This experience underscores the need for wiretapping legislation. Wiretapping often may be the only way of getting evidence or of getting the necessary leads to break up major criminal activity.

Yet, on the other hand, most people feel strongly about the privacy of their telephone conversations. None of us likes to think that some unknown person might be listening to what we have to say. There is no doubt that the Constitution confers on each individual a right of privacy—what the late Justice Louis Brandeis called "the right to be let alone."

The fourth amendment specifically protects "the right of the people to be secure in their persons, houses, and papers, and effects against unreasonable searches and seizures." In the famous Olmstead case of 1928, involving a Seattle bootlegging ring, the Supreme Court held that to intercept telephone calls by wiretapping did not violate the fourth amendment because the law-enforcement officers did not enter the house, touch the person or seize the papers and effects of the people whose wires were tapped.

But in another sense, wiretapping involves a greater interference with privacy than does the conventional search and seizure. Every telephone conversation involves at least two persons, one of whom may be wholly innocent. And in many cases the telephone that is used by a suspected criminal may also be used by a large number of other persons.

Indeed, many professional criminals typically transact their criminal business over public telephones. A tap set up to catch the criminal may necessarily overhear hundreds of conversations by persons who are totally unsuspected of crime, but whose privacy is nonetheless violated.

Even though the fourth amendment is not literally applicable—and the Olmstead decision is still the law—the principles underlying it are important in considering wiretapping. The framers of the Constitution did not outlaw all searches of a man's house and seizures of his papers and effects. They only prohibited unreasonable searches and seizures.

In particular, they recognized that Government officials could search a man's house and seize his papers. But first they required these officials to obtain a warrant from a court upon a showing of probable cause to believe that illegal material was on the premises to be searched. In other words, the framers of the Constitution attempted to

balance two objectives—that criminals be caught and convicted, and that the privacy of innocent persons be protected.

This is precisely our objective today.

Wiretapping is not authorized in most States. Section 605 of the Federal Communications Act provides: "No persons not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person."

To the layman, this certainly sounds like an absolute prohibition of wiretapping except where one of the parties to the conversation consents to it. Yet wiretapping is practiced by Federal law-enforcement officers, at least some State and local governments, and—as in the case of the fire chief's phone—by many private individuals. Indeed, the laws of the six States, such as New York, specifically authorize wiretapping by law-enforcement officials under court order.

How can this be? The legal answer is that the Communications Act does not prohibit interception alone; it prohibits interception and disclosure. For this reason, every President since Franklin D. Roosevelt has authorized the Attorney General to permit wiretapping in cases involving the national security. In 1941, Attorney General Robert H. Jackson indicated that "disclosure" within the Federal Government—among officials—also was not prohibited by the act. Yet, disclosure in court—using the lawfully obtained evidence to convict a criminal—has been regarded itself to be a criminal act.

This is unsatisfactory. There is no guarantee of privacy in the use of the telephone under the existing law because anyone can listen in without violating that statute. To convict someone of illegal wiretapping we have to prove both the tap and an unlawful disclosure. That is a very difficult burden indeed.

At the Federal level, wiretapping is limited to a small number of cases involving the national security and criminal cases in which the life of a victim is at stake. It is done only with the express approval of the Attorney General.

The extent of wiretapping by State and local law enforcement officers is very difficult to determine. In those States which have legislation permitting wiretapping under court order, the records indicate that it is fairly common. A poll conducted in New York State showed that between 1950 and 1955, 2,392 wiretap orders were obtained—about 400 taps a year. Some investigators contend that several times as many wires were tapped illegally. At that time there were well above 6,500,000 telephones in use in New York State.

In States where there is no law permitting wiretapping, the indications are that a certain amount of police wiretapping goes on, nevertheless. There also are assertions that some corrupt police officers may use information obtained from wiretaps for purposes of blackmail, enforcing payoffs, and for other motives of personal profit.

No figures are available as to the extent of private wiretapping. Most people who have studied the matter believe that private investigators and other individuals tap wires extensively to obtain evidence in divorce cases, stock-market tips, information about competitors, and the like.

This is a shocking situation. When law-enforcement officials themselves violate the law, violations by others go unpunished, and everyone's respect for law is seriously damaged. Further, no one's privacy is protected.

The critics of all wiretapping quote Justice Holmes to the effect that wiretapping is "dirty business" and use this as a slogan against this method of gathering evidence. To give Justice Holmes' words a modern application, it is the present state of the law,

the present chaos, which is really the "dirty business." And the solution is a coherent law which, with stringent safeguards, permits the gathering of evidence by wiretapping in vital cases but at the same time effectively forbids other wiretapping, public or private.

Only Congress can clear up the present chaotic situation. Certainly we ought to put on end to a law which—

1. Fails to prevent illegal action—indiscriminate wiretapping—by law-enforcement officials and private individuals; and

2. Fails to recognize the legitimate needs of law enforcement for limited authority.

I don't think it is possible—or workable—to attempt to deal in absolutes. I cannot agree with those who say that wiretapping should not be permitted in any circumstances and that the right to privacy outweighs any other considerations. If a child were kidnapped and there were any possibility of getting that child back unharmed by the use of wiretaps, I would feel that this strongly outweighed anyone's right to a private conversation. I take the same view with respect to protecting the security of the United States from espionage, sabotage, and other possible acts of foreign agents.

At the other extreme, some law-enforcement officials feel there must be an extensive use of wiretapping with little or no supervision by courts or high administrative authority.

With this I also disagree strongly. If we are to authorize wiretapping for law enforcement and prevention of crime, we must subject it to the most rigorous checks against abuse which we can devise. To put it simply, we should not lightly invade the privacy of individuals.

The details of new wiretapping legislation will have to be worked out by Congress. However, I believe that it should include—as drafted in our proposed law—the following features:

1. Wiretapping should be prohibited except under clearly defined circumstances and conditions involving certain crimes. Because wiretapping potentially involves greater interference with privacy than ordinary search and seizure, it is proper to limit it narrowly and permit it only where honestly and urgently needed. Wiretapping is absolutely required in cases involving national security, human life, narcotics, and interstate racketeering. Under our bill, other unauthorized interception or disclosure of wire communications would be punishable by a maximum penalty of two years in prison and a \$10,000 fine.

2. In general, I believe wiretapping should be authorized only by court order and that even then the right to apply to the court should be limited to relatively few responsible officials. We would make one necessary exception. In cases involving serious threats to national security, it is extremely important that the identity of suspects be tightly held within the F.B.I. The fewer who know our suspicions, the more effective our security. For this reason, we would continue the present practice of having the Attorney General, in person, authorize wiretapping in these cases.

3. Uniform rules for the Federal Government and the States should be established. We are dealing here with an interstate communication network whose integrity is a matter of importance to everyone using it. The maximum extent to which state officials may be authorized by State law to tap interstate facilities should be regulated by Congress.

4. Applications for wiretapping orders to a court necessarily should be made in secret since it would be useless to tap if suspected criminals were alerted. This should not mean that orders would be issued as a matter of course by judges. Any wiretapping statute should—as does our proposal—spell out in detail the findings a judge must make on the basis of evidence presented to him and

should state the duration of any order which he can issue. When a case is brought to trial, I believe the defendant should be given the opportunity to see the order authorizing the tap and to challenge its validity, as is now done in the case of search warrants.

5. Even though wiretapping would be authorized by court order, or, in some national security cases, by the Attorney General, the law should limit the disclosure and use of the wiretap information. Limiting the use of wiretap information to proper discharge of official duties would effectively prevent corrupt officers from using it for personal benefit and would confine any disclosure and use to legitimate law-enforcement purposes.

6. Finally, the law should continue, and extend to State courts, the rule at present applied in Federal courts that any evidence derived by means of an unlawful wiretap should be excluded.

To enact legislation along these lines will be a difficult job. Opinions differ as to each of the points I have listed and as to many details relating to them. But these difficulties should not be allowed to stand in the way of enactment of comprehensive legislation by Congress.

The need for such legislation is real. It would help us maintain the national security and stamp out organized crime. And, equally important, it would put an end to the violation of law by law-enforcement officers and less excusably, by private individuals, including blackmailers.

It would, in fact, protect the privacy of all of us who use the telephone.

#### ECONOMIC PROBLEMS

Mr. MUSKIE. Mr. President, the problems of the stock market have prompted all sorts of diagnoses and nostrums for our economic ills. A political fever chart could be plotted according to the levels of stock prices.

As we wrestle with explanations of the market's ups and downs, I hope we will not lose sight of our more fundamental problems of economic growth and world trade competition. I hope, also, that we will not be trapped by our own slogans.

We would do well to heed the wise words of Ralph McGill in his thoughtful article, "United States in a New World Situation," which appeared in the Saturday, June 2, 1962, issue of the Washington Evening Star.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES IN A NEW WORLD SITUATION—EXPORTS HELD VITAL TO ECONOMIC GROWTH, REQUIRING SOME PAINFUL ADJUSTMENTS

(By Ralph McGill)

Postwar Japan is in the quality markets of the world—as well as the cheap. Its steel is good . . . and it is moving into production of specialties. The countries of Western Europe, particularly Italy and West Germany, are highly competitive in a variety of industrial goods, hard and soft. They are moving toward a common market. The Russians are able to make dangerous political use of huge amounts of crude oil. They do the same with metals, especially tin. The Soviets also go patiently ahead in mining and storing gold.

It is against this very realistic background that one hears the painfully and dangerously unimaginative phrases in speeches by persons who charge that the administra-

tion's attempts to hold a wage and price level are destroying the American system, or are taking us down the road to socialism.

The President recently asked leaders of business and labor to abandon, for a period of discussion, organization positions. They would not do so. In the discussion, the old phrases recurred; the familiar shibboleths were repeated. The National Association of Manufacturers suggested merely that more profits were the solution. Organized labor wanted fewer profits channeled into higher executive salaries and into the legalized larceny of stock option plans, and more profits used to provide jobs.

That there is a new economic situation in the world is an inescapable fact. American business is investing hundreds of millions in plants in Europe and Japan. There is unemployment in this country, while Europe has a shortage of labor. We do have an outflow of gold, which continues at a rate that makes it necessary for leading economists to discuss this country's abandoning its requirement of gold reserves for its currency. Yet, some so-called business leaders seemingly do not relate this to domestic reality.

Reports of a recent meeting of the American Iron and Steel Institute, for example, quote the president of a small steel company as charging the Government with being anti-individual-rights, and warning the people to beware of socialism. Accounts of the speech seem chiefly to reveal an embittered man making preposterous accusations. His thesis was merely a demand that we return to the (undefined) "American system."

There are respected economists who are out of patience with what seems to them an unreasonable refusal to abandon organization positions and hoary clichés. One or two economists already have injected into the discussion the problems of saturation and their effect on the economic growth rate. The European, Russian, Asian, and African markets are supplying long-denied consumer demands. The average American long ago became accustomed to use of refrigerators, automobiles, television sets, and a wide variety of appliances. We have so many of these things that critics have portrayed us as an "affluent society." They have written exaggerated books and articles describing how hidden persuaders stimulate us to buy more than we need. We have mechanized agriculture and made it into a field of big business where major manipulators like Billie Sol Estes reap harvests.

We are perhaps the most sophisticated consumers in the world.

Where, then, shall the economy turn for growth? Obviously, many Americans would like to buy more than they do—a better car, a larger refrigerator, a faster boat. The more than 5 million unemployed and part-time workers certainly would spend more if they had it. They can—if production and jobs expand. None will deny that one reason countries newly come to the industrial revolution are working at full capacity is the pent-up domestic demand. The percentage of their people who own the consumer goods enjoyed by most Americans is small.

Therefore, how can we avoid facing the fact that to enable our economy to grow, and operate at capacity, we must export goods? This will not be easy. Many factors are involved, some painful.

It would be helpful to the national welfare and future if leaders would stop the nonsense of talking about socialism and repeating the old slogans, and get down to the specifics required by the new world situation.

#### ABUSE OF POWER

Mr. LAUSCHE. Mr. President, the May 19, 1962, issue of the Ohio Farmer



carries a story of the plight of Mrs. Mary Ellen Benson of Milwaukee, Wis. She is a member of Local 356 of the United Papermakers and Paperworkers Union. The union had a regulation requiring members to attend union meetings subject to a fine in the event attendance was not fulfilled. This union had a meeting on Sunday morning. It was at a time when Mrs. Benson wanted to be in church. Instead of going to the union meeting, she went to her church to worship God. She felt that the worship of the Lord meant more to her than attendance at the union meeting.

Following that infringement of the rule she was charged with a violation. The union fined her \$5 for not attending the meeting. She appealed to the courts. The courts found themselves helpless to give her relief.

Mrs. Benson has made the statement, "I just wish I could find someone who cares, someone willing to stand up and be counted on this."

I want to say to Mrs. Benson that there are millions of people in the country who care. They do not subscribe to the idea that either government or a labor union shall follow a course denying to a citizen of our Nation his will and his right to worship God. The people of our country ought to be awakened to the significance of this incident; which, from the standpoint of money, is trivial, but which, from the standpoint of sovereignty of an individual to worship God without interference from government and without interference from either business or from labor unions, is vitally important. The right of the individual must be preserved if what our country stands for is to continue in existence.

#### THE LEAGUE OF WOMEN VOTERS

Mr. KEATING. Mr. President, the June 4 issue of Current magazine contains an editorial on the work of the League of Women Voters. As the editorial points out, the league is a uniquely effective combination of thought and action. For 40 years the League of Women Voters has been studying and discussing the issues before the American people. As the league well knows, there are no easy answers to the problems which we face in the 20th century. What America needs more than anything else is educated and alert citizen discussion of the complex needs we face. The League of Women Voters has, over the years, taken the lead in practicing enlightened citizenship throughout the country. With its 132,000 members, the league is more active than ever before. This spring, the league held its 25th national convention and Mrs. Robert J. Phillips, national president, spoke with justified pride of the high quality and increased quantity of the study and action program.

Mr. President, I ask unanimous consent to have printed the editorial appearing in the June 4 issue of Current magazine written by Sidney Hertzberg, paying well-deserved tribute to a fine institution, the League of Women Voters.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### CURRENT AFFAIRS

(By Sidney Hertzberg)

In the American system there is room for a variety of democratic expression, from the passionate fanatics who throw themselves at the White House fence to the timid fanatics who accumulate footnotes in research institutes. Between these minimally effective extremes of decisiveness and indecisiveness there is that maximally effective combination of thought and action which is best represented by the League of Women Voters of the United States.

The league is practically a fourth branch of government. It has been with us for 40 years and it operates in every State of the Union. Its style is typified by a confrontation in a State capitol office where, above the low hum of league members' voices, may be heard the rusty creaking of a legislator's mind groping for responsive replies to relentlessly reasoned and factual questions.

The league's method of operation begins with a careful study of what it is that the league ought to study. This step is crucial in a period when problems are many and time is short. In studying what it decides to study the league is deliberate and exhaustive. There are no fast and flashy debates in which many-sided problems are reduced to nonsensical yes or no formulas. And after the league makes up its mind, its objective is pursued with unrelenting tenacity. The whole process is the despair of demagogues and the delight of the scrupulous.

In any consideration of the state of the American electorate's health, the condition of the League of Women Voters is highly indicative. The news is encouraging; it's not only the nuts who are at work. In late April and early May, the league held its 25th national convention. Mrs. Robert J. Phillips, president of the national league, reported that it had more members (132,000) in more local leagues (1,120) engaged in more activity than ever before. Not only was there more of everything, Mrs. Phillips said, but also the general quality of the study and action programs has never been so good.

In her report, Mrs. Phillips discussed the urgency of the problem that preoccupies us here at Current—the communications crisis. A suggestion that the league give priority to a continuing study of the role of mass media in civic education was made at the convention by Prof. Peter Odegard, one of the Nation's most eminent and most useful political scientists, who received an award from the league for his conduct of the National Broadcasting Co.'s Continental Classroom on American Government. Because we feel that the communications crisis threatens the effectiveness of concerned citizenship in a fundamental way, we hope the league will consider a study of all media.

We do not normally use this space for testimonials, but it is a matter of special satisfaction to us that Professor Odegard is a regular and careful reader of Current and that Mrs. Phillips finds Current "extremely useful and stimulating not only on the issues on which the league concentrates but also on other subjects." We think the league is pretty useful and stimulating too.

#### COLD WAR IN OIL

Mr. KEATING. Mr. President, several weeks ago I spoke on the Senate floor with regard to the threat of Soviet oil exports which are being used not only to increase Soviet influence in underdeveloped countries but also to under-

mine the economic independence of Western Europe.

Time is not on our side in this competition, for Soviet oil production is increasing every year. Moreover, Soviet tactics clearly show that the Communists put political considerations first and often accept economic losses in order to make propaganda or other gains. This is an issue of increasing concern in the economic development of the free world.

I ask unanimous consent to include following my remarks in the RECORD an editorial from the Hudson Register Star of May 16, 1962, and an article by Lewis Brigham in the New York Herald Tribune of May 13, which underline the need for a united NATO effort to dam the flood of Soviet petroleum exports.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Hudson Register Star, May 16, 1962]

#### SOVIET OIL

KENNETH B. KEATING, U.S. Senator from New York, estimates the free world has but 3 years to curb the Soviet oil offensive before the United States, Latin America, Europe, Asia and Africa "drown in a gush of Communist petroleum."

In a speech prepared for delivery to the Senate, he called for a common free world policy to build a dike against the oil tide.

Senator KEATING named Enrico Mattei, head of Italy's national oil company, as one of those responsible for the flood of Red oil into Europe. The Senator stated that Mattei took over the former Fascist enterprise, Ente Nazionale Idrocarburi, and uses the Soviet product as a key to huge profits.

He added that in 1960, the Soviet Union surpassed Venezuela to become the second largest oil-producing nation in the world and that by 1965, the Reds may well be producing as much as 50 percent of present U.S. production; further, that its reserves will undoubtedly be far greater.

The Senator outlined a drive being made in Great Britain that would increase Anglo-Soviet trade by 30 percent in an obvious effort to downgrade British trade with the United States.

As Senator KEATING well said:

"Time is not on our side if the United States and other NATO and free world nations permit basic interests to be fragmented and obscured by Soviet tactics. We cannot afford any longer a deliberate Soviet plan for undermining free governments, international trade, and stable economic development. We must coordinate our long-term arms and our short-term policies. In NATO, the Common Market, the machinery is at hand. Only the will, the imagination, and the persistence seems to be lacking. We must stop digging our own graves with Soviet tools and take a firm and united stand."

[From the New York Herald Tribune, May 13, 1962]

#### OIL COLD WAR—A COMMON FRONT?

(By Lewis Brigham)

Pressure for U. S. Government action aimed at checking the ominously steady growth of politically priced Russian oil exports is mounting again.

Washington is the latest center in the renewed drive to alert Federal officialdom to the long-range economic hazards posed by Soviet petroleum.

And the real goal of those urging Federal action is a relaxation of the antitrust laws so that oil firms affected and governments involved might work together to combat the Red oil offensive.

Since last June, there has been a series of six major developments on the "what-can-we-do-about-Red-oil" front.

The latest came Friday when Senator KENNETH B. KEATING, of New York, speaking from the floor warned that the free world has only 3 years left before the "United States, Europe, Asia, Latin America, and Africa drown in a gush of Communist petroleum."

This may be somewhat extreme, particularly as the bulk of the Soviet oil exports is concentrated upon the Western European market, and the timetable may be equally questionable, but there's no doubt but what Russian oil poses an evergrowing challenge.

For example: In 1960 (along with satellite Rumania), exported an average of 179,000 barrels daily of crude oil and 278,000 barrels a day of petroleum products for a total of 457,000 barrels a day injected into free world markets.

But in 1961, the slug of Russian oil moving into non-Communist markets was up to 615,000 barrels a day. This breaks down into 270,000 barrels daily of crude oil and 345,000 barrels daily of refined products.

And the Soviets show no signs of slackening off. The figures for 1962 are sure to show further growth as the Russian oil continues to riddle markets traditionally regarded by the Western international oil firms as their own.

Price, of course, is the entry ticket for the Russian oil, especially in those nations which politically may not feel an affinity for Moscow, but find it hard to resist an offer of energy as much as \$1 a barrel under the prices charged by the major oil firms who have to pay taxes and royalties to governments of nations where they produce the oil, an obligation Russia does not have to face.

Senator KEATING touched on one of the sorest points of the Russian oil-Western Europe situation on Friday when he named the Italian state oil agency, ENI, as one of the major reasons Soviet oil is flooding Europe.

The Italian Government-owned agency imports about 38 percent of its own needs and 12 percent of all Italy's oil needs from Russia, a level of petroleum importation which has alarmed both Italy's NATO and Common Market fellow members.

But protests, official and unofficial, from both groups to the Italian Government have resulted in nothing more than a polite reception, but absolutely no action.

The reason for this is that Enrico Mattei, head of ENI, is regarded as one of the most powerful political figures in Italy today, and few politicians dare to buck him.

Despite these rebuffs from Rome to NATO and the Common Market, this is one area where a number of oil figures urging action against Russian oil have tended to concentrate.

Senator KEATING, for example, laid down a 4-point economic program which he said the United States should back with regard to both NATO and the Organization for Economic Cooperation and Development. These are:

Uniform oil policies for the entire NATO community comparable to current weapons programs, with curbs on imports of Soviet oil for each country.

Common policies with regard to preventing Western supplies going to the Communists of oil transportation, pipeline, extracting, or refinery equipment.

Continued public disclosure of Soviet price cutting tactics designed to hurt not just the West, but also the oil-producing countries dependent on oil revenues.

A determined effort, with or without government assistance, to increase oil exploration or reserves in other areas of the world more removed from Soviet pressures.

The Senator's stress on action within NATO and the Common Market are reminiscent to many oil men of the proposal made last spring by Gordon Reed, board chair-

man of Texas Gulf Producing Co. that an "economic NATO" be created to restrict the level of Russian oil coming into Europe on a percentage basis by country.

#### MEDICAL CARE FOR THE AGED

Mr. MOSS. Mr. President, like all other Members of the Senate, I am being deluged with mail against the King-Anderson bill, the bulk of it stirred up by the American Medical Association broadcast. It is obvious that most of the people who are writing and wiring have little idea of what the bill contains, but have been aroused by the many "scare words" which have been used and the "bogey men" which have been conjured up.

Interspersed between the letters and telegrams of opposition, however, there are a few communications from people who do understand what the bill would do, and whose own circumstances make the best case for its passage which could be made. Such is the thoughtful, restrained letter I now ask unanimous consent to have printed in the CONGRESSIONAL RECORD. Because it relates to very personal circumstances, I have removed every reference which could result in an identification of the writer. However, I personally attest to its authenticity. And I believe every person who will pause and honestly take stock of what is happening in his own family, or among his neighbors, or to some of his friends, will realize that the story told in this letter can be duplicated thousands of times out across America. It is the story which makes passage of the King-Anderson bill imperative.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. FRANK E. MOSS,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR MOSS: I would like to register my strong support of President Kennedy's bill for medical care for the aged under the social security insurance system.

At the present time I am having to pay a share of the costs of maintaining a half-sister in a nursing home. She maintained herself and an invalid husband by employment as an expert business machine operator for many years but her present social security is only a minor part of the cost of nursing home care and the small amount of extra insurance which she was able to finance would provide care for only a short time if converted into cash. It is necessary, therefore, that two individuals, not closely related to her and both of whom have their own families, take care of the extra cost of her support.

In addition, we have my mother-in-law living with us. At the present time her health is reasonably good although doctor bills over a year are fairly large, but since she is now 76 years old probabilities of chronic incapacitating illness are fairly large. At the same time I must consider my own family.

This is a picture of many families in the United States. Often those who will need help most in their older years either do not appreciate the need of protection when they are young or circumstances make it difficult for them to set up adequate voluntary insurance programs. Just as in most States today public liability insurance is required of automobile drivers, it is no serious invasion of the individual's rights to require compul-

sory old-age insurance distributed over the whole population, since it is not the individual who particularly suffers in the event of great disability but it is the other members of the community who must provide the maintenance. Obviously, the type of maintenance provided at the present time is nothing of which the rest of us could be proud. I, therefore, urge you to vote favorably on the bill.

Sincerely yours,

#### DENIAL OF SENATOR MANSFIELD'S RETIREMENT

Mr. METCALF. Mr. President, to the amazement of almost every one in Montana, a news item entitled "MANSFIELD May Not Run, State Official Says," appeared in the Billings Gazette, of Billings, Mont., on Sunday, May 27, 1962. I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RETURN TO TEACHING?—MANSFIELD MAY NOT RUN, STATE OFFICIAL SAYS

MIKE MANSFIELD may not seek a third term as U.S. Senator and is reported considering a return to university teaching when his term expires January 3, 1965, a high State official reports.

The official, who declined to have his name made public, said sources in Washington, D.C., close to MANSFIELD, claim Montana's senior Senator and Democratic majority leader is carrying on despite much physical discomfort caused by a shoulder ailment.

Others claim MANSFIELD does not particularly care for the party post and duties that take so much of his time despite his popularity in both political parties.

MANSFIELD was a professor of history and political science at Montana State University in Missoula before he was elected to Congress in 1942. He served five terms in the House before unseating U.S. Senator Zales Ecton, Republican of Montana, in 1952. He was reelected in a breeze in 1958 with strong support from Republican as well as Democratic circles.

With the retirement and death of U.S. Senator James E. Murray, the 59-year-old MANSFIELD also inherited the senior role of Democratic political leadership in Montana.

Practically all Democrats and a great number of Republican political leaders feel that MANSFIELD can hold the U.S. Senate seat almost as long as he desires. They attribute it to his personal popularity and the prestige he has brought Montana.

Mr. METCALF. Mr. President, my colleague promptly denied the story of his pending retirement, and all the newspapers in Montana published the denial. I ask unanimous consent to have printed at this point in the RECORD an item published in the Montana Standard, Butte, Mont., which is typical of such articles.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANSFIELD DENIES HE'LL RETIRE

MIKE MANSFIELD, majority leader of the Senate, told the Montana Standard-Post Monday night there is no foundation whatsoever to the report he will not seek reelection when his term expires on January 3, 1965.

"I do not know who the 'high State official' is," MANSFIELD said in a telephone conversation from Washington, "but I sure would like to know."



He was vigorous in his denial of a story in the Billings Gazette which quoted a "high State official" as saying he was considering retiring from politics and might return to teaching at the end of his second term.

"I have no plans to retire nor have I ever considered returning to university teaching. In the meantime I will continue to do my best to serve the people of Montana in the office to which they have elected me."

MANSFIELD, who has suffered from intermittent attacks of bursitis, reported his shoulder, "hasn't been too bad lately. In fact, it has been in good shape for the last 4 or 5 months compared to what it was last year." He did, he said, "catch a couple of fingers in a car door recently. I might lose a nail, but there's nothing crippling about that, and I feel great otherwise."

The Billings story said the source, not identified by name, quoted persons close to MANSFIELD as saying the Democratic majority leader "is carrying on despite much physical discomfort caused by a shoulder ailment."

"Others claim MANSFIELD does not particularly care for the party post and duties that take so much of his time."

MANSFIELD was elected to Congress in 1942 from Montana's Western District. The then 39-year-old World War I veteran was a professor of Latin American and Far Eastern history at Montana State University. He was elected to the Senate after 10 years in the House, unseating Republican Senator Zales Ecton. He was reelected in 1958.

Mr. METCALF. The release of the anonymous rumor was greeted in Montana with concern and resentment. There was concern over the health and continuity of service of Montana's first citizen and one of our Nation's outstanding leaders. There was resentment that such a scurrilous rumor, without foundation in fact, should be started by a faithless and irresponsible person.

An example of the reaction in Montana appeared in an editorial entitled "The Mansfield Story," published in the Montana Standard of Friday, June 1. I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**THE MANSFIELD STORY—AUTHOR HIDES  
BEHIND ANONYMITY**

The many Montana friends of Senator MIKE MANSFIELD were greatly disturbed and deeply concerned last week by a report he had become "incapacitated."

The report, quoting a "high State official," had it that MANSFIELD, one of the top three Democrats in Washington as the distinguished majority leader of the Senate, "continues to serve despite physical discomfort."

The report further said that MANSFIELD, President Kennedy's right hand in the Senate, may not seek reelection in 1964.

Friends in Butte, a favorite stamping ground of the Senator, were particularly perturbed by reports of MANSFIELD's purported infirmities as published in Montana newspapers, first by the Billings Gazette and the Missoulian.

All were greatly relieved by MANSFIELD's prompt reply. He is not "washed up," he said emphatically. He added, "I feel great," and vigorously denied he has any intention of retiring.

MANSFIELD today, at 59 the busiest work horse in Democratic politics, astute politician-statesman of proven ability, going about one of the more exacting and strenuous schedules in the National Capital, is the antithesis of the ailing leader, the fading general.

The anonymity tactic has precedent in politics and press reporting. It has acquired general acceptance with readers. It is comparable to sewer vapor—nebulous and with an odor.

In this instance that odor may be political. The report could have led to unwarranted conclusions that Mike is through, that he doesn't like his job with its attendant prestige, glory, and honor to him and to the Montana electorate. Still, it is difficult to connect the report logically to the State primary elections. It just doesn't fit.

Perhaps a more resourceful reporter will get to the "high State official" source—perhaps even report the name, initials, and position of the anonymous official who obviously hadn't even troubled to ask Montana's "physically discomforted" senior Senator how he felt.

Mr. METCALF. The rumor, malicious in its intent, has been beneficial. If there was any doubt in the mind of anyone as to whether the senior Senator from Montana [Mr. MANSFIELD] was about to retire, that doubt has been allayed. If there was any doubt about his health, that, too, has been laid to rest.

Senators can all agree that Senator MANSFIELD looks fine and is making a great record as majority leader. He will be with us for a long time. The one accurate statement in the first story above is:

Practically all Democrats and a great number of Republican political leaders feel that MANSFIELD can hold the U.S. Senate seat almost as long as he desires. They attribute it to his personal popularity and the prestige he has brought Montana.

**U.S. SHIPBUILDING INDUSTRY  
SHOULD BE MODERNIZED**

Mr. YOUNG of Ohio. Mr. President, recently a contract for two giant ore carriers was placed in West Germany by the Bethlehem Steel Co. The cost was approximately 35 percent lower than would have been required if they were constructed in the United States. I have often heard that the shipyards in Japan, West Germany, and Sweden are more modern and efficient than ours. With the billions of dollars we are spending on our Navy, it is absurd that our shipyards continue to use outmoded equipment.

Industrialists from Ohio inform me that the United States has newer processes, better production equipment, and greater scientific manufacturing skills than are presently being taken advantage of. It is time that the U.S. Navy and our shipbuilding industry utilized these assets which we have and which are superior to those in operation in countries overseas.

In the New York Herald Tribune of May 20, 1962, there appeared an excellent article on this subject by Allen M. Smythe entitled "German Steel for U.S. Subs?" I ask unanimous consent that the article be printed in the RECORD at this point as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**GERMAN STEEL FOR U.S. SUBS?**

Many surface vessels constructed in American naval shipyards for our atomic-age fleets may be built with foreign steel because of much lower costs. Now being

rolled by the Hymetten Werke at Oberhausen in the German Ruhr are 3,500 tons of steel for three guided-missile frigates. The price averaged 30 percent under American bids.

Two of these destroyer-type vessels will be built at the Puget Sound Naval Shipyard. One will be built at the San Francisco Naval Yard. The German price included duty and transportation to the west coast. The high tensile plates and frames met all the Navy's specifications.

Faersmaal Overseas Co. and Metal and Alloy Corp., New York City brokers, submitted the bids on four job lots which were 18.3 percent to 39 percent below American prices. The Navy saved \$153,000 by this procurement policy.

**TAXPAYER BONUS**

"The Navy is very punctilious about following the wishes of Congress when buying overseas," said Vice Adm. George F. Beardsley, Chief of the Office of Naval Material. "I regard the savings made from foreign purchases as a bonus to the American taxpayer," he added.

Secretaries of the three armed services have authority to give U.S. firms an advantage up to 6 percent on open advertised bids. Small business and distressed areas can be given contracts when 12 percent over foreign bids.

Submarine plates and frames are made of steel only produced in this country by United States Steel and Lukens Steel. Recently the Armco mill near Houston, Tex., was approved to produce this high-tensile steel known as HY-80. Republic and Bethlehem are also seeking approval. Several German steel mills are reported interested.

**OTHER ALLOYS STUDIED**

The difficulty and high cost of welding and fabricating HY-80 has caused the Navy to explore other steel and titanium alloys. Recent scientific speeches have disclosed that the Navy wants hull plates and frames capable of withstanding pressures of 150,000 pounds per square inch to enable submarines to dive to depths of 2 miles.

Only United States Steel has produced the HY-80 stainless steel alloy that meets the rigid naval specifications. Its price when compared to the 25 cents a pound for HY-80 is about double. The lowest priced similar titanium alloy is around \$8 a pound.

United States Steel has not yet found a satisfactory and economical method of welding and fabricating this new alloy. Pentagon officials say no orders will follow until these problems are solved. When this new steel is adopted it will mean a complete redesign of all new submarines and their components.

**THE MEDICARE ISSUE**

Mr. DIRKSEN. Mr. President, because it is a partial nationalization of health care which may seriously endanger our whole voluntary medical system, any proposal directly involving the Federal Government in administration of medical care for people over 65 should be shunned.

Any compulsory health plan embracing all people, or all people in a special group regardless of whether they want or need the proposed services, constitutes a major infringement on individual responsibility and liberty. It should be opposed.

There is serious question as to whether it is proper for the Federal Government to use taxpayers' money to purchase health care services for any individual without regard to his actual need.

H.R. 4222, the King-Anderson bill, would violate all three of these precepts.

Because of this, Congress, in 1960, wisely rejected similar proposals and adopted the Kerr-Mills Act, Public Law 86-778.

The Kerr-Mills Act provides Federal funds for State-administered medical programs for the aged who need help.

Congress intended that such programs, designed for older people not on public assistance rolls, should prevent pauperization through illness and that under them the recipient's basic independence should be retained.

Kerr-Mills Act grants to the States are unusually generous.

The States are free to develop virtually any program they see fit.

Determination of what constitutes need is completely at the States' discretion.

In most States, automatic eligibility is provided the individual whose income and assets fall below a predetermined amount.

A number of new bills have been introduced in the current Congress which would avoid some obvious defects in H.R. 4222. Wide publicity has been given proposals for new State-administered plans with an individual option to elect voluntary health insurance, and proposals for tax credits for voluntary health insurance and medical expenses of people over 65.

It would appear, however, that further action in this area at least should be deferred until the full effect of the Kerr-Mills Act can be evaluated. Such study, of course, should be based on results following wholehearted efforts to implement it.

Under the Constitution, the national responsibility for such all-out promotion of the law now rests with the Executive branch.

Unfortunately, activities of responsible spokesmen for the current administration have been concerned primarily with campaigning for a proposal previously rejected by Congress. As long as this administrative reluctance to give the Kerr-Mills Act full support continues, it would appear wise for the Congress to stand firm.

Despite the foot-dragging and attacks on the Kerr-Mills Act by major administration spokesmen, the speed of its implementation by the States has been remarkable.

This gives promise that the Kerr-Mills and other existing assistance programs, coupled with expanding voluntary health insurance, will continue to provide older people with the world's best medical care unhampered by Federal bureaucracy.

#### THE AIR RESERVE TECHNICIANS PROGRAM NEEDS INVESTIGATION

Mr. DIRKSEN. Mr. President, an extraordinary practice is presently being carried on by the U.S. Air Force in its Air Reserve technician program. I refer to the practice of compelling civilian Federal employees who are working for the Air Force at certain stations throughout the country to become members of an Active Reserve component in order to secure or continue their civilian service or to obtain advancement and promotion.

We have received a substantial number of complaints over a considerable period of time in which the complainants charge that this practice violates the Veterans Preference Act, that under it supervisory positions are denied to those who fail to join the Active Reserve, that dual civil service registers jeopardize the seniority of such employees and that such forced enlistment in the Air Reserve technician program is illegal and wrong in principle.

This problem is of nationwide scope and it would appear that opportunities to secure a civilian job in the A.R.T. program is used as a lure to secure enlistments in the Air Force Active Reserve.

In a civil service handbook bearing the number "X-151," entitled "Recruitment of Air Reserve Technicians Through Competitive Examination," and issued by the U.S. Civil Service Commission in April 1958 for use by Air Force Boards of U.S. Civil Service Examiners, there appears on page 4 of this handbook the following:

Reserve membership: In addition to meeting the examination requirements indicated below, applicants must be (or must be willing and eligible to become) active members of the local Air Force Reserve unit in which these positions exist and must maintain such membership during their tenure of employment. Applicants who are found ineligible for Reserve membership can be given no further consideration for Air Reserve technician positions unless their ineligibility is due to a temporary condition or situation or to a remediable physical defect.

Last October I submitted this problem to the chairman of the Committee on Armed Services, the distinguished Senator from Georgia [Mr. RUSSELL] who very kindly presented it to the Secretary of the Air Force.

In a reply to Chairman RUSSELL, Gen. Perry M. Hoisington, Deputy Director of Legislative Liaison for U.S. Air Force, states:

No person is forced to enlist in the Air Force Reserve but must be willing to become a member of the Reserve or already be a reservist to be eligible for an A.R.T. position.

Mr. President, I submit that if a person is in the A.R.T. program and that at the end of his Reserve enlistment refuses to reenlist and as a result his civilian job in the A.R.T. program comes to an end that, in my judgment, is a forced enlistment, and I know of no other way to characterize it. It is very simply the exercise of compulsion in the field of civil employment.

One may note further in that same letter that the Air Force, relying on the Civil Service Commission and upon the advice of staff members of the House Committee on Post Office and Civil Service, takes the position that under general civil service authority no legislation was deemed to be necessary to implement and carry out this program.

To require applicants for an A.R.T. position to meet civil service standards is not objectionable as such. To require that they meet certain physical standards may also not be deemed objectionable, but to require enlistment in the Active Reserve as a condition precedent to securing or holding a civil service

position is not only of dubious validity but, in my judgment, a departure from sound principles.

Mr. President, other members of the Senate may have been confronted with this same problem. I am, therefore, asking that the Senate Committee on Post Office and Civil Service make a complete investigation of this matter in the interest of the integrity of our civil service system. I shall send copies of this statement, with a covering note, to the chairmen of the Armed Services Committees of both House and Senate, the Post Office and Civil Service Committees of both House and Senate, to the Civil Service Commission, and to the Secretary of the Air Force. I shall ask the committee to make a report as quickly as possible.

As a postscript to this statement let me but observe that to compel a person with many years of civilian service to enlist or reenlist in the Active Air Force Reserve is, in fact, putting his rights in jeopardy as a civil service employee and, frankly, I know of no specific statute or of any valid rule or regulation under which this can be legally done. In the absence of such a statutory requirement, it would appear that the Air Force action in this matter is somewhat capricious and unreasonable and as such it merits a full and complete investigation.

#### YOUNG GI'S DESERVE TO GET CHANCE AT CATCHING UP IN SEEKING AN EDUCATION

Mr. YARBOROUGH. Mr. President, I sincerely hope that my bill calling for educational assistance to post-Korean war veterans, S. 349, known as the cold war GI bill, will receive quick consideration in the light of current international developments.

I wish to emphasize, particularly, the risks faced by today's American serviceman, no matter where his duty station may be, in light of the tensions that exist in areas such as Laos, Cuba, West Berlin, and other trouble spots on the globe.

Young men in the Armed Forces today deserve better treatment than they get on completion of their military obligations.

S. 349, the cold war GI bill, which is co-sponsored by 36 other Senators, would help to remove the injustice being imposed on our young veterans.

We acknowledge the buildup in Communist military power in considering our own budget for military defense. We must go a step further and acknowledge the risks our servicemen take, and see to it that they receive the GI bill benefits which they earn by service in a time when peace is uneasy at best.

These men, whose lives are interrupted by a call to arms, are justly entitled to help in resuming their civilian lives without undue hardship. The 45 percent of young men who serve this country are entitled to a fair opportunity to catch up with the 55 percent who do not serve, but who remain free to advance themselves.

The GI bills of World War II and the Korean war have unquestionably proved



their worth to our country. A GI bill for post-Korean war veterans likewise will prove its worth beyond question.

Mr. President, Columnist Joseph Alsop has written an article concerning the intensified concentration of Russia upon building its military strength at the expense of pressing domestic problems. To emphasize the fact that young American servicemen today are in no cradle of security, I ask unanimous consent to have printed at this point in the RECORD, Mr. Alsop's article, entitled "Guns Before Butter," published in the Washington Post and in the New York Herald Tribune of June 4, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**GUNS BEFORE BUTTER**  
(By Joseph Alsop)

Reports from Moscow announce that the butter price there has been raised to almost \$2 a pound and that, even at this high price, butter is not always obtainable. Not enough has been said, however, about the root cause of the butter shortage, which is the massively increased Soviet investment in guns.

The guns-before-butter choice was formally made last winter. The Central Committee of the Soviet Communist Party met in full session, to discuss the crisis in agriculture. The farm crisis was publicly admitted and frankly documented. Yet the principal decision taken was to swell the ranks of Soviet agricultural officialdom—to use bureaucrats, in fact, as a novel substitute for fertilizer.

Almost simultaneously, the Soviet Government also announced that its defense budget had been increased by a staggering 45 percent, which is about double the Kennedy increase of the Eisenhower defense budget. Except in demonological circles, almost no attention was paid to this announcement concerning the defense budget, but if the announcement was not misleading, it constitutes a new fact of the utmost worldwide importance.

Since the Kremlin announcement was made, this reporter has tried to get at the truth, both here and in Europe. The truth is not easy to ascertain, and even when data are obtainable, you at once discover there is much dispute about the data. Here, however, is the best brief summary that can be offered:

First of all, there is no doubt at all that the Soviet defense effort has been greatly intensified. The first open symptom was the abrupt reversal of Nikita S. Khrushchev's shrink-the-armed-forces program in the summer of 1961. Special callups and holdovers in service brought the number of men in uniform up to the level that had existed before Khrushchev gave his order for a reduction. This meant an overall increase of several hundred thousand men.

Secondly, the intensification of the Soviet defense effort is by no means limited to this increase of men in uniform. In itself the increase must be a heavy strain, since Russia is now passing through a period of extreme scarcity of young manpower, caused by the low birthrate and poor infant-survival rate in wartime. Yet the strain on the economy of the increased investments in military hardware must be greater still.

In the field of missile hardware, alone, the current Soviet investments are downright astonishing. On the one hand, a second-generation Soviet intercontinental missile, comparable to the American liquid-fueled Titan, is now in quantity production.

Large numbers of launching sites are also being built for these missiles, not "hardened" like the American ICBM launching sites, but still fairly costly. The program is being

12 months the Soviets may add as many as pushed forward with such speed that within 200 new ICBM's to their operational arsenal.

On the other hand—and even more costly—the Soviets are also pushing forward with great speed a truly vast program of surface-to-air missiles like the American Nike. The Soviet industrial centers are thickly surrounded by new SA II's, as the Defense Department calls the missile comparable to our Nike-Hercules. But the SA II's, highly effective against aircraft attacking at high altitudes, are of little use against planes coming in on the deck, in accordance with the new tactics of the U.S. Strategic Air Command.

Hence the thousands of SA II's are now being supplemented, apparently without regard to cost by huge additional numbers of SA III's—surface-to-air missiles designed to knock down attacking planes at low altitudes.

The cost of installing this elaborate point defense of all the major Soviet industrial centers is so great that it is now thought to absorb up to 35 percent of the entire Soviet defense budget. Yet the whole system will be obsolete in the near future, when SAC phases out its aircraft and places its main reliance on long-range ballistic missiles.

Finally, further large but indeterminate amounts are also being invested in a major Soviet effort to produce an antimissile missile. Even so, the majority of demonologists hold that the announced increase in Soviet military spending is in part a fraud. They argue it was partly achieved by openly including in the defense budget expenditures formerly concealed in such mysterious items in the Soviet national budget as "financing the national economy." This item and others like it have indeed been somewhat reduced, making the case for partial fraud rather convincing.

Yet the degree of fraud—if fraud there be—is very much less significant than the undoubted fact that the Soviet national policy is again rather emphatically putting guns before butter.

#### FOREIGN ASSISTANCE

Mr. YOUNG of Ohio. Mr. President, our experience has taught us that foreign-aid programs have been a basic influence in building and preserving the strength of the free world. Experience has also taught us that foreign aid can be subverted and used to strengthen undemocratic and authoritarian regimes.

I indict two countries which receive our foreign aid as being ruled by ruthless dictators. In these countries American taxpayer's money has been squandered to strengthen the choke hold of tyrants. Many unfortunate citizens of Haiti, who live in squalor and misery, and of Spain find themselves deprived of human dignity and freedom. They have no authority in the government of their countries. If they voice any objection to oppression, they are subject to swift and brutal retaliation by secret police.

Mr. President, the Senate is now considering a \$4.3 billion foreign aid authorization bill. I expect to support the bill. However, I feel that expenditures for assistance to governments which deny their citizens basic human rights, civil liberties, and democratic processes cannot be justified. I shall oppose all such appropriations of money secured in taxes from our people. I feel it unwise to

support Franco's Spain and Duvalier's Haiti.

America was built by men who cherished human freedom above all else. The Government of the United States is pledged to preserve freedom. Americans have fought and died to defend freedom. Should we later vote to put part of America's wealth into the pockets of tyrants who deny this freedom which we hold so sacred and have paid for in blood?

Mr. President, I am fully aware of the problems faced by the United States in the cold war. I would never advocate any measure which I felt would weaken the security of our country. We must maintain our military, nuclear, and retaliatory superiority. We must act to halt the spread of communism whenever and wherever it threatens to expand.

The question then is whether continued aid to the tyrants in Spain and Haiti will help in the struggle against communism.

In the case of Haiti the answer is quite clear. There is no military advantage because we have no bases in Haiti. Politically there is no advantage.

Not having any good reasons to justify our aid to Dictator Francois Duvalier, we have adopted bad ones. Fear is the main reason for our aid. Duvalier has shown great talent in extracting economic and military aid from us by playing on our fear that Haiti might turn to the far left or refuse to support our position in the United Nations and the Organization of American States.

Many policymakers argue that if Duvalier should fall, a Castro-like catastrophe might result. I hold this view to be completely backward. The Castro-type revolution will be more likely if Duvalier stays. If we recall the Batista era in Cuba, we can see the parallel.

Mr. President, intervention is an offensive word, and in this instance we are intervening on behalf of a ruthless dictator instead of on behalf of the oppressed people of Haiti. Let us stop supporting this tyrant. Let us for once decide to give aid constructively or not at all. What good reason can there be for us to supply armaments—planes, tanks, and machineguns—to this tiny Caribbean country?

In Spain a similar situation exists. A Fascist dictator is in absolute power. The Spanish people are the victims of a legalized tyranny.

The United States maintains a large military establishment in Spain. We have three major Strategic Air Command bases and two naval airbases that were built in Spain at a cost of over \$400 million.

Generalissimo Francisco Franco has used these bases as leverage for economic assistance and military aid. This dictator is constantly increasing his demands on us and is always using the veiled threat of removal of our bases unless we knuckle under to these demands.

Mr. President, since January 1961 our defenses and the might of our arms and retaliatory power have been greatly strengthened in missilery, and our Polaris-firing submarine force is being added to constantly.

Could not these new weapons be based in other areas of the European-Mediterranean sector without sacrificing any of the retaliatory powers which our bases in Spain now afford us?

Mr. President, the United States is the strongest nation in the world. It is the leader of the free world. Its actions are observed by the people of the world. Can we with one hand wave the banner of freedom, and with the other hand pass our funds and guns to dictators who practice tyranny and oppression? I, for one, do not think we can condone such a policy. Therefore, I may offer an amendment to the bill, and certainly I shall seek to amend the foreign assistance appropriation bill to exclude handing over American taxpayers' money to strengthen the power of dictators such as Haiti's Duvalier and Spain's Franco to further oppress the people of those countries and suppress their civil liberties.

This is born of my firm conviction that it is unwise to support a dictator no matter how convenient it may seem to be. In the long run it is the people who count and no regime is worth supporting if it keeps the people down. Such a regime presents a classic opportunity for a revolt and a possible Communist takeover.

My proposed amendment is not complicated. It would, if passed, be an effective implementation to a policy of constructive assistance by denying aid under this act to the present tyrannical governments of Spain and Haiti.

Therefore, later, when we are considering appropriations for our foreign-aid program, I certainly intend, Mr. President, to offer appropriate and adequate amendments to cut off any foreign assistance whatever to dictatorship or tyranny, wherever it exists.

#### REPORT ON EUROPE AND RUSSIA

Mr. KEFAUVER. Mr. President, the distinguished editor and president of Look magazine, Mr. Gardner Cowles, recently returned from Moscow, where he interviewed Soviet Premier Khrushchev.

On the basis of that conversation, together with his broad experience and knowledge of world affairs, Mr. Cowles prepared an excellent article that shows clearly why Mr. Khrushchev is so distressed about the success of the European Common Market—an attitude betrayed by his statement of last week.

The Cowles article, which appeared in the June 5 issue of Look, is also persuasive evidence of the need to give the President the tools he will need in order to bargain with the Common Market, after the present Reciprocal Trade Agreements Act expires at the end of this month.

In order that Mr. Cowles' article may be widely read, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN EDITOR REPORTS ON EUROPE AND RUSSIA

(By Gardner Cowles)

Great changes usually come slowly. There is, generally, no one moment to which you can point and say, "This was the great mil-

stone." Yet, as I walked into the 40-foot-long, airy office of Soviet Premier Nikita Khrushchev last month, the same half-paneled, vaulted room just inside the Kremlin's walls where I met Joseph Stalin 20 years before, I was struck by the enormity of the changes—specific, identifiable changes—which have refashioned our lives in the past 2 decades and which are remolding them anew today.

It is in Moscow, more than in any other city on the globe, that an American appreciates fully his own contributions to the flow of modern history. For it is in the Soviet Union, in the land of the "great upheaval," that an American becomes aware of his revolutionary role and of the permanent revolution of the West.

My lengthy interview with Khrushchev reinforced this conviction. Yes, he considers himself a revolutionary, and he believes fervently that logic, time, and history are all on the side of the Communists. Capitalism, he said again and again, had outlived its historic usefulness; now it was moribund, ready to be replaced by his more advanced system.

Yet it was plainly evident that the everyday problems with which he is confronted—how to grow enough food, how to create an efficient distribution system, how to instill incentives, how to answer the growing desires, spiritual as well as material, of his people—weigh heavily on him. Even he, I think, is aware of, and perhaps slightly perplexed by, that greater feeling of excitement and of change that marks Western society today.

Despite his reputation for realism and for the practical, I doubt that Khrushchev is conscious of the import of the five great recent changes which will radically alter all our lives and with which we Americans have had so much to do:

1. The unification of Western Europe has now passed the point of no return. Britain, and then Denmark, Norway, and Ireland, will soon join the thriving Common Market, thus creating the largest, most dynamic, economic community in the world.

2. The era of colonialism has ended. The peace in Algeria arranged by President Charles de Gaulle has rid the West of its most troublesome burden in Africa and in the uncommitted world. Britain will soon sever its remaining hold on African colonies. A major source of friction between Western nations and between them and the new countries will thus be removed.

3. The great schism between Red China and the Soviet Union has permanently cracked the monolithic unity of world communism. However Moscow and Peking may strive to paper over their differences, the struggle between these two giants of communism will continue underground, dividing their followers everywhere and diminishing the attractions of their ideology.

4. The United States and the Soviet Union are now each aware they have the power to incinerate the world. The Russians know the Americans lead in atomic weaponry; they know that the arms race is consuming money and talent at a fantastic rate; they know that they cannot risk war, and they dare not risk real peace. Both sides recognize there is no alternative but to find some kind of tolerable understanding with each other.

5. The United States has set into motion the long, complex train of events which will lead to the creation of a genuine free-world community, encompassing Western Europe, Japan, North and South America. At first, this will mean only better cooperation in economic and financial matters, primarily between us and Western Europe. But it will grow into a great Atlantic community with a powerful magnetic attraction not only for new nations, but even for those of Communist Europe.

There are few, either in the West or East, who can comprehend the magnitude of these five great changes-in-the-making; there are still fewer who can predict just how they will affect each of us. But just 20 years ago, when I went with the late Wendell Wilkie to meet Stalin in that third-floor room that serves as the command post of Russia's rulers, there was no one rash enough to imagine the major realities of the next two decades.

Stalin then thought only of survival. Hitler's armies had swept across the Russian plains and all of Europe. Even the diplomatic corps had evacuated Moscow. As the dictator led me to a parapet overlooking the Kremlin walls, I could see the flashes of German guns on the horizon. The Nazis were that close to Moscow. All he wanted to know was when the West would open its second front in Europe and when more U.S. aid would arrive.

Change comes so swiftly that events often overtake the men who set them in motion. Hitler learned that lesson. Stalin's followers have learned it. Khrushchev may now be on the point of learning it.

It is a mistake to think that, because both men called themselves Communists, Khrushchev and Stalin are really at heart alike. Stalin was cynical, cruel, and secretive. He distrusted all men, even his closest associates; he enclosed the Soviet Union behind an Iron Curtain; and he imposed a terror that was complete. Secondly, for all his craftiness, he was ignorant. He had never ventured outside the Soviet Union. He had, as Khrushchev reminded me, only the most primitive knowledge of modern agriculture and the technological revolution in the Western World. He was obsessed with "steel," the name he had adopted as his own.

Khrushchev, on the other hand, is an extrovert, an optimist, and, as he likes to say, a realist. No less a Communist, no less mistrustful of the West, no less ready to be ruthless in a crisis, he was shrewd enough to realize very quickly after Stalin's death that Russia was doomed to be a backward land mired in the 19th century if it perpetuated Stalinism. How could communism, he asked, promote itself as the wave of the future, if it were so rooted in the past?

He therefore set himself a new goal. In addition to the Moscow aim of establishing a Communist world hegemony, he decided that communism must prove in his lifetime that it can provide prosperity in the U.S.S.R. To attain this new objective, he had to modernize Soviet society. Instead of mass terrorism, he had to introduce something akin to normalcy. Instead of frightening people into working, he had to offer incentives. Thus, the Iron Curtain was opened to some of the winds of the 20th century.

Still a dictatorship, the Soviet Union is far different today than I found it 6 years ago on my last visit. Naked terror is gone; authority has been greatly decentralized; quality is replacing quantity as the official norm; skill is starting to count for more than bureaucratic burling. In particular, youth is coming into its own. Once Khrushchev set the example by his many excursions abroad, young Russians also wanted to journey. Once Khrushchev started to undermine Stalinist precepts, they, too, began to seek answers to questions such as "What is truth?"

Nowadays in the big Russian cities, simple Western fashions are quickly copied. The thirst for knowledge of the West, especially of the United States, is apparently unquenchable. Specialists well versed in Western know-how move into affluent positions faster. In this less tense atmosphere, the infectious tinkle of laughter is heard more frequently. And despite the years of incessant anti-American propaganda, there is an overpowering will among the Russians for friendship with Americans.



In a strange, tentative way, a kind of public opinion is beginning to stir in Soviet society. It voices its heartfelt desire for peace, for more and better goods, for fairer distribution and for justice. The Russian people have just begun to nibble the forbidden fruit of limited freedom, and they want more. Khrushchev, a leader who travels around his country perhaps more than any other in the world, is very alert to these desires.

Increasingly, he finds that the strain on Soviet resources is putting him in a bind. For all his boasting that the Soviet Union is now the second nation of the world, he just hasn't the resources to do everything at once—to satisfy his military men, his economic planners, his consumers, his scientists and his allies. The weakest link is agriculture, which is still producing no more than it did 4 years ago, which still uses more than 40 percent of the Soviet labor force (as against our 7 percent) and which must feed a population growing by 4 million a year.

Khrushchev revealed to me that he will make a massive investment in agriculture in the coming years—more tractors, fertilizer plants, farm equipment and so on. He hinted that the money will be diverted from the moon-shot program. Even as we talked, the Russians were announcing the indefinite cancellation of the World's Fair they had planned in Moscow in 1967 to mark the 50th anniversary of their revolution. These decisions to choose bread instead of circuses are the first of their kind since the war. Nothing could indicate better the strain on Russian resources; nothing could better explain the Soviet desire to come to some agreement with the United States.

#### KHRUSHCHEV REALIZES THE FULL DANGERS OF WAR

These factors, particularly his inability to give aid to the Chinese Communists who are threatened with famine, have brought Khrushchev into conflict with Mao Tse-tung. The Chinese Communists are faced with the problem of their survival in power. Any accommodation between the West and Khrushchev will only increase their difficulties. Still far behind the Soviet economy, unable to grow enough food, incapable of running their industry smoothly and without hope of any aid, they want to speed the world revolution and thus get their hands on the raw materials in Asia, Africa, and elsewhere.

But Khrushchev realizes the full dangers of war. As he told me, he has witnessed nuclear explosions. He is not ready to run that risk as long as he knows we are ready to defend freedom and as long as he knows American strength is greater than his. For the moment, he will not budge on the key issue of our troops in Berlin and of nuclear inspection. But I venture to predict that he will not push his demands to the point of conflict with the United States and that he will agree to interim settlements in Berlin and to joint pledges concerning outer space and possibly some start on arms limitation.

If he takes these first steps to defuse some of the tensions in the world, it will make it all the more difficult for him in the future to revert to saber rattling. For much in the world outside Russia is also changing—and these changes will have enormous impact on the ever-more sophisticated Soviet managerial class, now in their thirties and forties and without the experience of the Russian revolution.

The Common Market of France, Italy, West Germany, the Netherlands, Belgium, and Luxembourg is something the Russians just can't fathom. Its fabulous growth is contrary to all the lessons of Marx, Lenin, and Khrushchev. It leaves them stunned. They simply can't explain how moribund capitalism created this true revolution. They can't comprehend why or how we Americans gave our political and financial support so unstintingly to breed this new colossus.

The energy thrown off by the fusion of the six economies is breathtaking. What was the miracle of German recovery has become the miracle of French, Italian, and Dutch development. In the 5 years since the Common Market began operations, there has been a fantastic turnaround. Five years ago, France was the "sick man of Europe," its governments tumbling and its treasury empty; today, and for 4 years now, it has outpaced the Germans, and it is accumulating dollars, gold, and foreign reserves at such a clip that the major worry is how to slow this financial prosperity. When the Common Market treaty was signed in Rome, the Italians' main preoccupation was how to siphon off the traditional oversupply of labor to other countries; today, northern Italy, despite the hundreds of poor southerners arriving daily, has a critical labor shortage, and labor scouts scour Germany and Belgium trying to lure back Italian workers. Five years ago, learned economists were discussing the chronic shortage of dollars in Europe; today, their concern is for the outflow of greenbacks from, rather than to, the United States. Even Spain, the forgotten country of Europe on the periphery of the Common Market, has suddenly become affluent, with reserves of almost \$1 billion.

The six countries have been boosting their industrial production by an annual average of 8 percent a year, as against our 3 percent. And, as they knock down the tariff walls between them—they will have been reduced by 50 percent by this summer, far ahead of the original schedule—trade has skyrocketed. In just the last year, it increased by 25 percent. With European workers beginning to learn about homeownership, television, modern kitchens and all the other modern conveniences that Americans invite them to think of as necessities, there is every likelihood that this boom will continue for years. The best economists think the average rate of growth will be close to 5 percent for the next decade.

New impetus to this growth will come when Britain, followed by Norway, Denmark, and Ireland, breaks with 500 years of tradition and links itself to Europe. Undoubtedly, there will be much jockeying over the political conditions in the coming months, but the British Government knows that, unless it takes this historic step, the alternatives are too gloomy to contemplate. For as the tariff walls tumble among the six, they are simultaneously erecting a common wall against all outsiders.

The only man who can throw a roadblock in the part of the British entry is President De Gaulle. He wants France to be the leader of the new Europe. But once De Gaulle is convinced that the British are prepared to cut gradually their special economic ties to the Commonwealth, as indeed they are, De Gaulle will not slam the door. For now that France is rid of its Algerian problem, now that it is at peace for the first time in 23 years, he dreams of a resurgent Europe which will have strong attraction to the Communist countries of Eastern Europe, to the emergent nations of Africa and the states of the Middle East. To keep the British outside Europe would be to revive 19th-century rivalries and to bury the dream.

Once the British and their close friends join the Common Market this dynamic Europe will have a far larger population than either the United States or the Soviet Union. In many key industrial items, such as steel, it will have greater production than ours; in most others, it will be second only to us, but ahead of the U.S.S.R. It will have special ties to the British Commonwealth and to the new French Commonwealth that De Gaulle seems to be launching successfully in Africa. Only in nuclear weapons will it be third, and even in that domain, De Gaulle may yet have his way in developing a strong enough force to qualify Europe as a major military power.

This new giant will present problems as well as opportunities for us. Unless we can work out some sort of partnership across the Atlantic—and somehow extend it to include Japan in the Far East—the free world community will be riven by rivalries and trade battles. New organizations are tackling these complex questions already—questions such as how to regulate monetary conditions to guard against a sudden weakening of the dollar or the pound sterling, how to coordinate aid programs so that they can be most effectively used in underdeveloped countries and how to deal with food surpluses so that prices are kept relatively stable. In the coming years, the machinery for dealing with these problems will be established, and what is now only a vision in the minds of a few may well become the reality of the next decade. For change is the law of nature. So far, we Americans, with our faith in democracy and with our belief in free enterprise, have almost alone been fortunate enough to perceive the changes and flexible enough to adapt to them.

The direction in which history is now moving can only make us more optimistic, more convinced than ever that it is Khrushchev and the Communists who must worry about being "buried" by the inexorable forces of progress and freedom.

#### WHAT RURAL ELECTRIFICATION MEANS TO ME AND MY COMMUNITY—STATEMENT BY SENATOR CURTIS

Mr. KUCHEL. Mr. President, on behalf of the distinguished Senator from Nebraska [Mr. CURTIS], I submit for printing in the RECORD at this point a statement prepared by him with regard to the winners of an essay contest sponsored by the Nebraska Rural Electric Association, on the subject "What Rural Electrification Means to Me and My Community," together with three of these essays.

There being no objection, the statement and essays were ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR CURTIS, OF NEBRASKA

For several years the Nebraska Rural Electric Association has sponsored a youth tour to Washington. This group consists of the boys and girls who are the winners of essay contests sponsored by their individual Nebraska rural power systems in cooperation with the Nebraska Rural Electric Association.

The essays are written on the subject, "What Rural Electrification Means to Me and My Community." I submit for printing in the RECORD three of these essays.

I am particularly honored to insert the essay of Jim Chevalier since he is the State winner of this contest. I wish to add my personal word of congratulations for the excellent paper he has written. Jim is the son of Mr. Paul Chevalier, of Wallace, Nebr. He is 16 years of age and a junior at Wallace High School. He was sponsored by the Midwest Electric Membership Corp., Grant, Nebr.

The other contest winners whose essays are submitted are:

Lauren Cochran, of Ord, Nebr., age 17 and a junior at Ord High School.

Lawrence Lee Burman, Rockville, Nebr., age 17 and a junior at Rockville Public School.

#### THE VALUE OF RURAL ELECTRIFICATION IN OUR HOME AND COMMUNITY

(By Jim Chevalier)

Outside, a cold, blustery north wind blew little flurries of snow across the road as if

they were chasing each other, and the freezing winter sky was filled with dark, ominous clouds that promised a blizzard before the next morning.

But inside the house, Bob Jones and his wife, Nancy, were enclosed in a different kind of climate—an artificial electric climate that kept them warm without drafts or mess. They had just finished a delicious dinner of fried chicken and corn on the cob, both cooked on an electric stove and preserved in an electric freezer. Their home was lighted by electricity and all of Nancy's kitchen appliances were electric, not to mention Bob's power tools. The television and radio were powered by electricity and electric blankets kept them warm without excess weight during the night.

Out in Bob's new farrowing house, 23 litters of pigs were being kept warm by heat lamps without danger of a fire. All of the water on the farm was supplied by a submerged electric pump, and an electric water heater supplied all the hot water that would ever be needed. An automatic yard light shed light over the building area and shone a sign of welcome over the neighborhood.

Sound plausible? Sure it does, but not too many years ago none of this would have been possible on a rural farm or community unless they had their own expensive, gas-powered generating outfits which needed regular fueling and maintenance. Now, thanks to rural electrification, electricity is supplied cheaply to all farms and homes with no repair or maintenance for the farmer or homeowner to worry about.

Value and improvement are two words to describe rural electrification. The value is apparent. Where else can one light, heat, power, and protect his home for just a few cents a day. Just try to imagine what your farm or home would be like if all electricity and electric appliances were taken away. It would be virtually impossible to get along in the modern day and age we exist in. The value really shows up then. Ruby Heine (Electric Farmer, March 1962) depends on electricity for every breath she takes. Ask her about its value.

Improvement is another good description of REA. If you doubt this, read the part REA will play in the new rural areas development mentioned in the March issue of Electric Farmer. Electric lines are constantly being rebuilt and modernized, one instance being the Wallace-Graindon line which recently was replaced with new poles and lines in order to give better service to the local users. Another example of improvement in our own area are the new automatic yard lights which automatically switch on and off at dark and dawn to discourage prowlers and to light the farmyard.

There is active membership participation in REA. The association holds regular meetings which are open to the public and members. An excellent example of membership participation is Paul Ogier, of Wallace, who has been president of the Nebraska REA for several years and has improved it greatly by uniting the rural electricians in Nebraska and by strengthening the safety and job training program.

Think it over. Could you or your neighbors get along without rural electrification? Could your wife efficiently keep house and cook without the many electric appliances she now uses? I don't think so. Consider it awhile, and the value of rural electrification will be very apparent.

#### TWENTY-FOUR HOURS ON THE FARM WITHOUT ELECTRICITY

(By Laureen Cochran)

This winter during one of our numerous snowstorms, there was a flicker and the electricity was gone. At first we could not believe that this bad situation was really true. We told ourselves it was only a tem-

porary inconvenience because our faithful REA repairmen would soon have it fixed.

After a few minutes, we began to think of the substitutions we had to prepare in order to live through this maddening, howling, whirling snowstorm. It was in the latter part of the afternoon when we realized the break could not be repaired during the storm, so the first thing I thought of was candles to light our home against the approaching darkness. Mother's first thought was the absence of heat. Dad thought of the lack of water in the house and the inconvenience he would have in taking care of the stock. My sister's first thought was the fact that we slept under electric blankets and she was sure we would freeze that night. As we prepared for the oncoming night, we realized more and more how much we depend upon electricity. Everything we started to do was halted by the absence of it.

Ever since I could remember we had had the wondrous electricity in our home, so I was determined to enjoy my new adventure. After the house started to get cold and we only had cold food to eat, my spirit of adventure lessened. Over our transistor radios, we heard warnings of the storm and that many other families were without electricity. I began to feel a tiny bit afraid. The question seemed to be—would we be able to survive without electricity?

That evening we had sandwiches and milk for supper. Then we found interesting books and tried to read by candlelight. Later, we curled under the heavy bedding for a long winter's night sleep.

Morning brought a cold house and an even colder breakfast. All of us kept wrapped up in blankets except Dad. He had to do the chores. Everyone was too cold to do much, so we just tried to keep warm.

In the afternoon, the electricity came back on. With it came the much needed heat, hot food, water, and the noise from the phonograph, television set, radios, and most of all—happy voices. We began to feel safe and contented. Even Herky, our Chihuahua, was glad the electricity came back on. He thought it was just terrible to wear his sweater all of the time.

The worst part of the whole business was running out to the shanty every time we had to go. Without water, our bathroom fixtures were not of much use.

It took a terrible snowstorm and the absence of a vital part of my life to teach me the many uses and comforts of the wonderful electricity.

#### TWENTY-FOUR HOURS ON THE FARM WITHOUT ELECTRICITY

(By Lawrence Lee Burman)

Twenty-four hours on a farm without electricity is 24 hours too many.

To demonstrate what it is like to be without electricity for 24 hours, I shall write about a typical family living on an average-size farm.

The husband and wife were awakened in the morning by a bright light glaring through the window of their bedroom. To his amazement, it was 8 o'clock on his wrist watch but on the electric alarm clock it was a little past 12 o'clock. Discovering the electricity was off, causing him to oversleep, he hurried out to do his milking. After strapping the milking machines on some of the cows and finding out they did not work, the husband started milking the 20 cows by hand.

Meanwhile, in the house the wife was busy. She was trying to find some way of fixing the meals. She ended up having the family eat out of cans. Having to wash some clothes, she brought the washboard in to the act. The yard fence received the job of holding the clothes to dry. The refrigerator was heard dripping on the inside. The clock as stopped a little past 12 and the

freezer was kept closed to prevent the cold air from escaping.

Their two children complained in the afternoon about the television. They said the television did not work and now they are going to miss their cartoons. Finally, mother convinced them the electricity was off and that they were to make the best of it. Disappointed, the children went outside to play.

After doing the chores the hard way, the husband came in for a cold supper with the rest of his family. After they finished their meal, there was no television to watch and no light to read by. Down came the kerosene lamp from the attic. This brought out a dim light causing the family to become bored with the things they were doing so everybody went to bed early with the disgusted thoughts of a day without electricity.

In the middle of the night the husband and wife were awakened by a bright light in their room. It was relief at first sight. The lamp above their heads in bed was on. They had forgotten to turn off the lamp they had turned on while the electricity was off. With a sigh, they went back to sleep, knowing that the electricity will be on for tomorrow and not as much work in store for them.

#### TWENTIETH ANNIVERSARY OF THE BATTLE OF MIDWAY

Mr. LONG of Hawaii. Mr. President, this week is the 20th anniversary of the Battle of Midway. The engagement between United States and Japanese aircraft carriers, warships, and planes in June 1942, resulted in a major victory for American forces and was the turning point in the war in the Pacific. Midway Islands, a coral atoll 1,300 miles northwest of Hawaii, are now part of the Early Warning Barrier Pacific. Mrs. Marie M. Mishan, wife of Navy Capt. John E. Mishan, recently wrote an article for U.S. Lady magazine describing life on present-day Midway. I ask unanimous consent that the article, entitled "Midway Island in the Pacific," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### MIDWAY ISLAND IN THE PACIFIC

(By Maria M. Mishan)

To the many military passengers who fly over Midway Island en route from Japan to Hawaii, a stop for fuel there may seem a waste of time, even a bother. With Honolulu only a few short hours away, they may chafe at spending precious time on a small and isolated island which looks like a little rock in a huge ocean.

Midway is small. It's one and a half miles long and a half mile wide—less than 5 miles in circumference. Situated in almost the exact center of the North Pacific Ocean, half way around the world from Greenwich, England, the island is most appropriately named Midway. It is this strategic location which makes Midway one of the free world's most precious pieces of real estate. Actually, it is two islands within a circular coral reef, with populated Sand Island the larger and Eastern Island the smaller.

Midway is an atoll of coral and sand on a volcanic mountain top possibly more than 100,000 years old. The outer edge of its surrounding reef consists of both live and dead coral which serves as a barrier breaking the force of possible tidal waves.

Midway is not one of the South Sea Islands. They're on the other side of the Equator, more than 2,000 miles south. Midway's climate is semitropical with an average



summer temperature of 85 degrees, average winter temperature of 67 degrees and high humidity. Discovered in 1859 by Capt. N. C. Brooks of the Hawaiian ship *Cambia*, it became a U.S. possession in 1867 and was made into a permanent naval reservation in 1903.

During World War II, Midway was an important air and naval base. The famous Battle of Midway between United States and Japanese aircraft carriers, warships and planes was fought near the island on June 3-6, 1942, and the American victory proved to be the turning point of the Pacific war. Also unforgettable to all families, assigned now or in the future to Midway, is the name of 1st Lt. George C. Cannon, USMC, the first Marine to receive the Medal of Honor in World War II. He was at his command post when the Japanese attacked Midway on their return from Pearl Harbor. Badly wounded and soon to die from loss of blood, he refused help to himself until the others were evacuated. Midway's George Cannon School, graded from kindergarten through high, is named in his honor.

When discovered a century ago, Midway had no trees and no natives other than some 1,250,000 unusual birds. In 1956, eleven years after the Japanese surrender, Midway's Naval Station was on maintenance status with only enough personnel to support transient aircraft (mostly MATS) and a few ships. But 2 years before, with the cold war getting hotter, the Joint Chiefs of Staff had assigned the Navy to provide seaward extensions of the Distant Early Warning (DEW) Line of radar stations then being built across the Canadian land mass.

The resultant Early Warning Barrier Pacific was to give Midway a facelifting, with a \$40 million-plus construction program, including new airfields, hangars and housing.

The Barrier, composed of radar equipped ships and aircraft, became fully operational on July 1, 1958. It went "on watch" 24 hours a day, 7 days a week, to provide a constant electronic barrier across the Pacific from Midway to the Aleutians. Any ship or plane moving across this expanse of ocean has been detected and reported immediately, from that day to this.

The outfit assigned the flying part of this important mission is the Airborne Early Warning Barrier Squadron Pacific, the Navy's largest aircraft squadron. It is composed of more than 350 officers and 2,000 enlisted men. Although headquartered at Barber's Point, Oahu in the Hawaiians, AEW's real job is carried out on Midway, where a permanent detachment of officers and men make sure the Barrier is run continuously and smoothly. As for the fly boys themselves, they and their crews are in the air more than 120 hours each month, day and night. They deploy to Midway 18 days a month and return to Oahu for a like period. The WV-2 Lockheed *Warning Star*, a modification of the Super Constellation, is the squadron's workhorse. It is a tough, safe airplane, and the 22-man crews (who consider themselves the Navy's best) often encounter 120 mph winds, freezing rain, snow, ice and severe turbulence in 15 or more hours aloft. Since 1958 the AEW has logged over 9,500 actual Barrier flights, totaling a distance of more than 29,000,000 miles—equal to more than 60 round trips to the moon—a record which has earned it the title of "The Flyingest Squadron in the Navy."

For the squadron boys, their 18 days on Midway each month conform to the Barrier flight schedule. At all times, one crew is preflighting and another is just coming home. During their offhours, the crews enjoy the same beaches as the 300 or more families stationed there "permanently." These are assigned to the naval station, the Barrier detachment (mentioned above), or smaller units like the naval security group on Eastern Island, Air Force MATS, the Pacific Missile Range, and the civilian public works centers. There are almost daily flights

of transient units en route between Hawaii and Japan, and currently a construction battalion (the Sea Bees are back) of more than 500 men. In addition to the up-to-date airfields, Midway provides harbor facilities servicing destroyers, tankers, service vessels, and submarines.

Present-day Midway, with its 90-foot towering Australian ironwood trees, its reef-encircled blue lagoon and beautiful white sand beaches might not be the bachelors' idea of an oversea assignment, but the families stationed here often apply for—and are granted—extensions. Water sports enthusiasts love it, for here skindiving, water skiing, sailing, deep-sea fishing and just plain beach living are at their best.

Two of the island's most popular hobbies are hunting rare shells and collecting "fish balls." Both young and old become collectors of these glass balls, used by Japanese and Russian fishermen. Trading one for the other, some wives acquire the art of tying nautical knots with white nylon thread, and by using imagination and ingenuity, cover them with intricate designs.

Fish ball art is currently so popular that it is giving the gooney bird competition as the top subject for conversation. It will probably be a long time, however, before mere fishing equipment, even Russian in origin, can outdo the laysan albatross as being synonymous with Midway. To the 3,370-odd people living here, and to the many passing through, the gooneys, with their spectacular mating dance and repertoire of sounds and actions, are a constant entertainment source. Leaving the island in early August, they return in early November, and the first arrivals are eagerly awaited. Where they deploy to, or what route they take is not known, but some of these birds have been taken as far as the State of Washington, only to be found back on the island in a fantastically short time, covering the distance in less time than an airplane.

Of greater interest by far, to our military authorities, are the many flying hazards they create. Over 200 bird strikes on aircraft have been known to occur annually. Damage has amounted to over \$60,000, not counting the more than 2,000 working hours it took to repair the damage. How to avoid this, has been, and still is, one of Midway's major problems.

For bird lovers, Midway is a paradise. Here one can study the beautiful fairy tern, which lays its egg on the edge of a rock or on a twig, without any kind of support, and it stays there as if glued. When a baby is hatched, they say, it arrives feet first and hangs on for dear life, before it is even completely out of the egg. The survival miracle sometimes loses out to the elements. Almost every Midway family at one time or another acts as foster parents to these young.

Then there is the bosun bird, the only bird that can fly backward and sideways, yet cannot walk or stand up. Its shiny satiny-like plumage, as white as the cleanest snow, turns a pale pink when annoyed. It is easy to believe that it was this bird the feather hunters were after, when in 1909 a quarter-million slaughtered birds were found, the poachers arrested and the feathers confiscated by U.S. authorities.

The not so pretty, and not at all popular moaning bird (shearwater), the size of a dove, makes its nest and spends the daylight hours underground. It can dig a goodsized hole in a matter of seconds, and to the constant annoyance of the people with lawns here, it keeps busy doing just that. Its underground tunnels have caused many sprained and broken ankles. It comes out with the dark, making an eerie, wailing noise, much like a crying child, hence its name.

The frigate bird, also known as the man-o-war and pirate bird, soars lazily, almost

motionless above the beaches, awaiting the return of other birds. Attacking its victim, it dives at it, scares it until in panic the food is dropped. Then the intruder with lightninglike speed, dives below and intercepts the falling fish. Although an excellent fisher itself, the frigate bird relies completely on poaching, and this maneuver in midair is quite an exciting show.

These are but a few noteworthy idiosyncrasies of Midway's birds. But there are unusual human characteristics worth knowing about Midway, too, such as the spirit of the service wives, and the volunteer work they do. The inflight nursery, for instance, provides transient mothers with the necessary supplies for the children on all the planes coming through from Japan. Food, a bath, and a clean bed are ready, and a travel-weary mother can enjoy a much needed rest. The hospitality for visitors and the welcoming committee for permanent-duty arrivals are outstanding tributes to the friendly way of Midway.

For those who anticipate duty here, the school is excellent. Study habits, due to the lack of distractions, improve. The George Cannon School is one of the finest in the Pacific area. And so is Midway's beautiful chapel, with both a Catholic and Protestant chaplain on board.

Most of the families living on this small island, far away from home, seem remarkably suited for island living. The atmosphere of neighborliness, and the will to help and share, is standard operating procedure. With most of the commissary supplies coming in on ships from Oakland, it is not unusual to run out of such items as onions, for instance. Neighbors share. When entertaining visiting dignitaries, often unexpected, the 11th hour dash to the nearest market is like a dream of a different world. Instead, one dashes next door.

Upon leaving the island at the end of a duty tour, a Navy doctor's wife said, "There should be a Midway in everyone's life."

There are other factors to consider, too, such as the deeply hidden personal problems of some individuals, which under normal living conditions might never show. These problems have been known to grow out of proportion here, due to the monotony of island living. Fortunately these cases are rare.

Recreational facilities are good, and are constantly improving. Presently there are 3 baseball diamonds, handball, and tennis courts, roller skating rinks, a gymnasium and a hobby shop, 19 boats with outboard motors, a 5-lane bowling alley with an air-conditioned one under construction, 2 deep-sea fishing boats with complete fishing equipment, 15 sailboats, 2 boats for water skiing, and skindiving gear, plus an air-conditioned theater with free movies three times daily.

Active clubs are the Officer's Wives, CPO Wives, Navy Wives, and the Fleet Reserve. Radio station KMTH operates 18 hours daily and a recently installed KMTH-TV features popular stateside shows from 5 p.m. till midnight.

The duty tour for a single man is 12 months. With the family on board it is 18 months. Due to the many birds on the island, cats are not allowed.

No privately owned cars are allowed. The majority of Midway's population rides a "horse" (Midway's name for bicycle).

Housing on Midway, when available, is adequate and comfortable. The waiting list for officers is 6 months, for chief petty officers 4 months and for enlisted men 7 months. Only E-5 and above are eligible for housing on Midway.

Medical and dental facilities are good, with hospital and outpatient services available to all dependents.

Life on Midway is unique. Basic conveniences which exist in normal stateside living—like adequate fresh water, milk, fruits and vegetables are either not available or

often hard to come by. The fresh water factor is of great importance, since Midway depends entirely on rain for its water supply. In dry seasons fresh water is available only for drinking and cooking, which means one showers and washes clothes in brackish water. The high content of chemical in this water does a poor job in pampering ladies' complexions or favorite linen. This condition is being improved, with additional tanks now underway to store a more adequate supply.

Few permanent people leave the island without shedding tears, for it is more than the end of another tour. It is more like a divorce from an often-to-be-yearned-for way of life. It may be hard for one on the "outside" to conceive the heartbeat of a small, isolated community where sophistication and the keeping of secrets is of secondary consequence. More important is the meaning to Midway residents of the constant roar of engines preflighting, taking off for another 15-hour Barrier run; then the familiar sight of tired men in orange-colored flight suits returning to their quarters for a well-earned rest.

Capt. Norman C. Johnson, present commanding officer of Naval Air Station, Midway, can be proud of his little community. It counts mightily in the Nation's tremendous defense program.

#### DUTY, HONOR, COUNTRY

Mr. SCOTT. Mr. President, General of the Army Douglas MacArthur spoke at the U.S. Military Academy at West Point on May 12 when he received the Sylvanus Thayer Award for service to his Nation. The general spoke as a graduate of 1903, who had some things of wisdom to tell the current class.

Since the general had to say things that are of concern to all the Nation, which he has served so well, I ask unanimous consent to insert into the RECORD the text of his remarks as they appeared in the National Observer of May 20.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

No human being could fail to be deeply moved by such a tribute as this, coming from a profession I have served so long and a people I have loved so well. It fills me with an emotion I cannot express. But this award is not intended primarily for a personality but to symbolize a great moral code—the code of conduct and chivalry of those who guard this beloved land of culture and ancient descent.

Duty, honor, country: Those three hallowed words reverently dictate what you want to be, what you can be, what you will be. They are your rallying point to build courage when courage seems to fail, to regain faith when there seems to be little cause for faith, to create hope when hope becomes forlorn.

Unhappily, I possess neither that eloquence of diction, that poetry of imagination, nor that brilliance of metaphor to tell you all that they mean.

The unbelievers will say they are but words, but a slogan, but a flamboyant phrase. Every pedant, every demagog, every cynic, every hypocrite, every troublemaker, and, I am sorry to say, some others of an entirely different character, will try to downgrade them even to the extent of mockery and ridicule.

But these are some of the things they build. They build your basic character. They mold you for your future roles as the custodians of the Nation's defense. They make you strong enough to know when you are weak, and brave enough to face yourself when you are afraid.

#### WHAT THE WORDS TEACH

They teach you to be proud and unbending in honest failure, but humble and gentle in success; not to substitute words for action; not to seek the path of comfort, but to face the stress and spur of difficulty and challenge; to learn to stand up in the storm, but to have compassion on those who fall; to master yourself before you seek to master others; to have a heart that is clean, a goal that is high; to learn to laugh, yet never forget how to weep; to reach into the future, yet never neglect the past; to be serious, yet never take yourself too seriously; to be modest so that you will remember the simplicity of true greatness; the open mind of true wisdom, the meekness of true strength.

They give you a temperate will, a quality of imagination, a vigor of the emotions, a freshness of the deep springs of life, a temperamental predominance of courage over timidity, an appetite for adventure over love of ease.

They create in your heart the sense of wonder, the unfailing hope of what next, and the joy and inspiration of life. They teach you in this way to be an officer and a gentleman.

And what sort of soldiers are those you are to lead? Are they reliable? Are they brave? Are they capable of victory?

Their story is known to all of you. It is the story of the American man at arms. My estimate of him was formed on the battlefields many, many years ago, and has never changed. I regarded him then, as I regard him now, as one of the world's noblest figures; not only as one of the finest military characters, but also as one of the most stainless.

His name and fame are the birthright of every American citizen. In his youth and strength, his love and loyalty, he gave all that mortality can give. He needs no eulogy from me, or from any other man. He has written his own history and written it in red on his enemy's breast. \* \* \*

#### WITNESS TO THE FORTITUDE

In 20 campaigns, on a hundred battlefields, around a thousand camp fires, I have witnessed that enduring fortitude, that patriotic self-abnegation, and that invincible determination which have carved his statue in the hearts of his people.

From one end of the world to the other he has drained deep the chalice of courage. As I listened to those songs in memory's eye I could see those staggering columns of the First World War, bending under soggy packs on many a weary march, from dripping dusk to drizzling dawn, slogging ankle deep through mire of shell-pocked roads; to form grimly for the attack, blue-lipped, covered with sludge and mud, chilled by the wind and rain, driving home to their objective, and for many, to the judgment seat of God. \* \* \*

I do not know the dignity of their birth, but I do know the glory of their death. They died unquestioning, uncomplaining, with faith in their hearts, and on their lips the hope that we would go on to victory.

Always for them: Duty, honor, country. Always their blood and sweat and tears, as they saw the way and the light. And 20 years after, on the other side of the globe, again the filth of dirty foxholes, the stench of ghostly trenches, the slime of dripping dugouts, those boiling suns of the relentless heat, those torrential rains of devastating storms, the loneliness and utter desolation of jungle trails, the bitterness of long separation of those they loved and cherished, the deadly pestilence of tropical disease, the horror of stricken areas of war.

#### SWIFT AND SURE ATTACK

Their resolute and determined defense, their swift and sure attack, their indomitable purpose, their complete and decisive

victory—always victory, always through the bloody haze of their last reverberating shot, the vision of gaunt, ghastly men, reverently following your password of duty, honor, country. \* \* \*

You now face a new world, a world of change. The thrust into outer space of satellite spheres and missiles marks a beginning of another epoch in the long story of mankind. In the five or more billions of years the scientists tell us it has taken to form the earth, in the three or more billion years of development of the human race, there has never been a more abrupt or staggering evolution.

We deal now not with things of this world alone, but with the illimitable distances and yet unfathomed mysteries of the universe. We are reaching out for a new and boundless frontier. We speak in strange terms of harnessing the cosmic energy, of making winds and tides work for us \* \* \* of the primary target in war, no longer limited to the armed forces of an enemy, but instead to include his civil population; of ultimate conflicts between a united human race and the sinister forces of some other planetary galaxy; such dreams and fantasies as to make life the most exciting of all times.

And through all this welter of change and development your mission remains fixed, determined, inviolable. It is to win our wars. Everything else in your professional career is but corollary to this vital dedication. All other public purposes, all other public projects, all other public needs, great or small, will find others for their accomplishments; but you are the ones who are trained to fight.

#### THE PROFESSION OF ARMS

Yours is the profession of arms, the will to win, the sure knowledge that in war there is no substitute for victory, that if you lose, the Nation will be destroyed, that the very obsession of your public service must be duty, honor, country.

Others will debate the controversial issues, national and international, which divide men's minds. But serene, calm, aloof, you stand as the Nation's war guardians, as its lifeguards from the raging tides of international conflict, as its gladiators in the arena of battle. For a century and a half you have defended, guarded, and protected its hallowed traditions of liberty and freedom, of right and justice.

Let civilian voices argue the merits or demerits of our processes of government: Whether our strength is being sapped by deficit financing indulged in too long, by Federal paternalism grown too mighty, by power groups grown too arrogant, by politics grown too corrupt, by crime grown too rampant, by morals grown too low, by taxes grown too high, by extremists grown too violent; whether our personal liberties are as firm and complete as they should be.

These great national problems are not for your professional participation or military solution. Your guidepost stands out like a tenfold beacon in the night: Duty, honor, country.

You are the lever which binds together the entire fabric of our national system of defense. From your ranks come the great captains who hold the Nation's destiny in their hands the moment the war tocsin sounds. \* \* \*

The long, gray line has never failed us. Were you to do so, a million ghosts in olive drab, in brown khaki, in blue and gray, would rise from their white crosses, thundering those magic words: Duty, honor, country.

#### PRAYS FOR PEACE

This does not mean that you are warmongers. On the contrary, the soldier above all other people prays for peace, for he must suffer and bear the deepest wounds and scars of war. But always in our ears ring the ominous words of Plato, that wisest of all



philosophers: "Only the dead have seen the end of war."

The shadows are lengthening for me. The twilight is here. My days of old have vanished—tone and tints. They have gone glimmering through the dreams of things that were. Their memory is one of wondrous beauty, watered by tears and coaxed and caressed by the smiles of yesterday. I listen then, but with thirsty ear, for the witching melody of faint bugles blowing reveille, of far drums beating the long roll.

In my dreams I hear again the crash of guns, the rattle of musketry, the strange, mournful mutter of the battlefield. But in the evening of my memory I come back to West Point. Always there echoes and re-echoes: Duty, honor, country.

Today marks my final rollcall with you. But I want you to know that when I cross the river, my last conscious thoughts will be of the corps, and the corps, and the corps.

I bid you farewell.

#### CENSORSHIP AND FOREIGN POLICY

Mr. TOWER. Mr. President, the distinguished Senator from South Carolina, Senator STROM THURMOND, has documented with consistency and skill the no-win policies of the State Department, characterizing the uncertain and vacillating foreign policy of the Kennedy administration.

Recently, in testifying before the special Senate subcommittee investigating muzzling activities imposed by the Military Establishment upon its uniformed spokesmen, high State Department officials refused to admit there was a no-win pattern to the deletions of remarks of military men, as reviewed for so-called security, or that the censorship had anything to do with foreign policy.

Today, however, that fiction is officially laid to rest with the report to the Senate subcommittee, headed by Senator JOHN STENNIS, of Mississippi, as submitted over the signature of Under Secretary of State George W. Ball, who had earlier been a reluctant witness before the committee. The document, confirming that the State Department has a record policy of accommodation with Russia, and seeks to avoid public reference to victory, is well told in dispatches and editorial comment that, Mr. President, I ask unanimous consent to have printed in the RECORD. These include news accounts by Willard Edwards, of the Chicago Tribune, on May 6 and May 21; and editorials by the Dallas News, "Senator THURMOND Was Right," on May 29, by the Washington Star, "Victory A Bad Word?" on May 29, and by the Chicago Tribune, "Victory Is A Nasty Word," on May 23.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Sunday Tribune, May 6, 1962]

**CENSORS' CODE: SPEAK SOFTLY OF COMMUNISM**  
(By Willard Edwards)

WASHINGTON, May 5.—To speak of victory in the cold war with Russia is impermissible. Such talk has a militaristic and aggressive ring. It implies an all-or-nothing approach which leaves no room for accommodation with the Soviet Union.

This official statement of American policy has been filed by the State Department with a special Senate subcommittee. It was supplied in defense of censorship procedures

against military leaders deemed too forceful in their anti-Communist speeches.

Filed a month ago, the report over the signature of Under Secretary of State George W. Ball has become the best-guarded document on Capitol Hill. Chairman JOHN STENNIS, Democrat, of Mississippi, warned his staff against premature disclosure of its contents. The information in this dispatch was obtained from sources not connected with the investigating subcommittee.

#### HAVE TO KEEP REDS HOPEFUL

In defending its censorship practices, the State Department report stresses that communication between the United States and Russia must never be endangered by provocative statements from American leaders which might give the Kremlin an excuse to cut off negotiations.

It states that President Kennedy's general approach is to treat the contest between communism and freedom in terms of ideas and ideals as well as in terms of force.

Thus, any public emphasis on victory or our military strength casts doubt on the President's good intentions. The all-important objective is to keep Russia convinced that it stands to gain from continued negotiations.

#### FORGET ABOUT NIKITA'S SHOES

Additional guidelines for public statements by high-ranking military and civilian leaders:

Any talk of a possible future war between the two nations is imprudent. It could be used to discredit our good faith in negotiations with Premier Nikita Khrushchev of Russia.

Such indelicate subjects as the slavery of captive peoples in the Soviet satellite system must be avoided. Nor must such odious adjectives as brutal be applied to the Russian Government lest its sensibilities should be disturbed.

#### POLICY FEELING ITS WAY

The temptation to hit back when Khrushchev indulges in invective must be avoided. Name calling is descending to the Communist level. Personal references to Khrushchev's behavior—his shoe-pounding performance at the United Nations or his promise to bury us—are dangerous. He would only be provoked into more outbursts.

When Senate hearings first uncovered the pattern of State Department censorship, Adm. Arleigh Burke, recently retired chief of naval operations, suggested that the unidentified censors had acted capriciously, exercising individual opinions which did not express administration policy.

The Ball report rejects this theory. The censors, it asserts, acted in a creditable and responsible manner most of the time. Their actions reflected official thinking during a sensitive and critical state of United States-Russian relations.

There were a few instances, the report concedes of arbitrary or poor judgment and some of the censorship defied any reasonable explanation. But, in the main, the censors acted in line with an administration policy which was feeling its way and seeking to develop communication with the Communist government.

#### DISCLOSES KENNEDY APPROACH

The report, when it is made public, will provide substance for the contentions of such Senators as STROM THURMOND, Democrat, of South Carolina, and BARRY GOLDWATER, Republican, of Arizona, who assert that the administration is pursuing what they call a no-win policy. They describe this as a policy which has abandoned any idea of defeating Russia in the cold war and is intent upon placating the Kremlin as a preface to agreements on such problems as disarmament, nuclear tests, and Berlin.

The significance of the Ball statement is that it puts an official seal of approval upon

censorship practices which were termed strange and odd by STENNIS and other subcommittee members when they first learned of them. In so doing, the State Department has disclosed, in greater detail than it has ever provided before, the Kennedy administration's approach to the Communist threat.

#### FIVE WEEKS TO PREPARE IT

It is a document which represents long and careful study by the State Department. It took 5 weeks to prepare before it was submitted early last month. Promptly labeled top-secret, its release is not contemplated in the near future. It will be made public, according to present plans, when Ball, or some other high State Department official, can appear as a witness to answer questions about its contents.

Ball appeared before the subcommittee February 27 and refused to give verbal testimony on the specific instances of censorship which had been unearthed by the investigators. The subcommittee agreed to his plea for submission of a detailed written explanation at a later date.

This statement, when it finally came into the subcommittee's hands, was accompanied by a chronological table of periods of tension in 1961 during which the censorship of anti-Communist speeches was particularly severe.

#### FORBIDS SLAPS AT AGGRESSION

Since these periods when frequent crises sometimes overlapped there were almost no intervals when military and civilian leaders could speak out forcefully against Communist aggression without being guilty, under State Department standards, of damaging critical negotiations with the Soviet Union.

During the days after the Kennedy inauguration on January 20, 1961, negotiations were being conducted for release of the American RB-47 flyers in Russian hands. These might have been endangered by beligerent statements, the report noted.

The President's inaugural speech and his state of the Union message, emphasizing the need for negotiation of problems with Russia, set the tone for a nonaggressive policy in subsequent weeks.

#### PENTAGON SETS ON STAHR

Then came the Cuban invasion failure in April, the preliminaries leading to the Khrushchev-Kennedy meeting in Vienna, the Geneva conferences, and the Berlin wall episode. During all these crises, the State Department argued, any public expression antagonistic to the Communists might have imperiled relations with the Soviet Union.

The report revealed that Secretary of the Army Elvis J. Stahr, Jr., was one of the most vigorously censored officials in the Pentagon. Stahr has just announced his resignation to become president of the University of Indiana.

Among Stahr's offenses was to propose stating publicly that there was no reason to believe that the Communists had abandoned their plans for world conquest.

"This is provocative," the State Department ruled, "and not in keeping with the administration policy of seeking communication with the Soviets."

On another occasion, Stahr wanted to say that the Communists in the past had deprived Russian citizens of the necessities of life. This was foolish talk, the State Department ruled in striking it out, and could make the United States look foolish because many citizens of neutral nations have visited Russia and found no poverty there.

Secretary of the Air Force Eugene M. Zuckert was another who could not seem for a period to adjust himself to State Department standards of propriety in public speech. On May 19, 1961, he contemplated a mild warning that "we can't afford to relax in hopes that the Russian people will pull

down the structure or that they will change objectives."

This was stricken out, the Ball report explains, because it "could be twisted to imply a suggestion that the people should overthrow the Soviet Government."

When a general wished to speak of communism as "the antireligious cult that opposes us," the reference was deleted with a State Department explanation that it was "undesirable" to lump opposition to religion with communism.

In summarized form, and partly paraphrased, the State Department's censorship philosophy was expressed as follows:

The United States should not take the position that there is a choice for neutral nations between the West and communism. The uncommitted peoples have the right to choose their own destiny, not between the United States and Russia.

"Peaceful coexistence" should not be described as evil or a fatal disease. Such attacks could be interpreted as revealing American desires for peace as hypocritical and insincere.

#### STRONG LANGUAGE UNDIGNIFIED

It is unwise to refer to the United States-Russian conflict as a life-and-death struggle. Similarly, descriptions of communism as a cancerous disease have defeatist implications.

The way to combat the ideological forces of communism is to show up its weaknesses and contradictions and "not to resort to perorative adjectives."

The use of such phrases as the "Russian bear" is inappropriate. It is undesirable to laud such sentiments as "better dead than Red," thereby polarizing them. Strong language by high-ranking officials is undignified and could be used to equate our conduct with the Communists.

Russia should not be regarded as the sole aggressor menacing the Western World. It should not be described as "the enemy." Nor should its system be described as an "insidious ideology." Such statements are provocative and not in keeping with President Kennedy's state of the Union message that this Nation would "explore all areas of co-operation with the Soviet Union to invoke the wonders of science instead of its horrors."

References to world communism or international communism convey an implication of success, legitimacy, and universal appeal to communism. It concedes too much, since communism does not embrace the world. The use of such phrases gives an aura of achievement to communism.

The report indicated great concern with what Communist propagandists could accomplish by exploiting statements by American leaders. The safest course, it implied, was to avoid any expression of opinion which could be made to appear belligerent.

Explaining censorship of statements about the development of a Communist state in Cuba, the report noted that these remarks were improper until December 1961, "when Castro openly stated he was a Marxist-Leninist leading Cuba into communism."

[From the Chicago Sunday Tribune, May 21, 1962]

**CENSORS EASED BUT "VICTORY" IS STILL TABOO—PENTAGON ISSUES GUIDE FOR MILITARY**

(By Willard Edwards)

WASHINGTON, May 20.—The Pentagon has issued a speaker's guide for military spokesmen which reveals some easing of last year's censorship practices which provoked widespread criticism when exposed in a Senate investigation.

It is now permissible, the Defense Department has decreed, to refer in strong language to the aggressive designs of Russia, particularly its ambitions to conquer the world.

Phrases such as the "Communist challenge," "Communist blackmail," "Soviet bluster," and "Communist threat" may be employed. They were censored during much of 1961.

#### "VICTORY" STILL TABOO

The word "victory," in connection with the outcome of a struggle between communism and freedom, is still taboo. But a general or admiral may come close to expressing confidence in beating the enemy by using such a phrase as "the United States does not intend to be defeated."

The ban remains on references to slavery under the Soviet satellite state system and on criticism of Russian Premier Nikita Khrushchev's personal behavior. But Khrushchev may be mentioned as responsible for the covert armed aggressions, guerrilla warfare and subversion cropping up around the world.

The new guidelines for public speaking have been outlined in a 32-page publication entitled "Speaker's Guide for Service Spokesmen" issued in connection with the celebration of Armed Forces Day the third week of May.

#### SPEECH MATERIAL GRATIS

In a foreword, Arthur Sylvester, Assistant Secretary of Defense of Public Affairs, describes the guide as containing "authoritative, informative material."

"Speakers may quote liberally from it, with or without attribution to the guide or to the authors of the material included," he stated.

"No set speeches have been included; rather, the intention has been to furnish enough material so that speeches for widely varying audiences may be constructed with the guide as a reference. Speakers may also wish to extract information on their special spheres of interest from the various signed articles."

#### CENSORS STILL ON JOB

Sylvester emphasized that the policy of reviewing or censoring military speeches continued in force in order that such addresses should reflect national policy.

He warned that "the Communist propaganda machine within and without this country" is poised to distort any inadvertent statement by high officials to promote tension.

"Speeches by members of the Defense Department must prevent confusion at home and distortion abroad," he said. "We must insure that this country speaks not from the weakness of contradictory voices but from the strength of one."

While the speaker's guide was issued in connection with Armed Forces Day celebrations, military men accepted it as an authoritative statement on the permissible limits of speech for an indefinite period.

#### ODD OR CAPRICIOUS

The special Senate Armed Forces Subcommittee, which has been conducting an inquiry for 4 months into the Pentagon's cold war policies, noted a relaxation of censorship procedures which they branded "odd" or "capricious" when they were first revealed. Most of these practices were pinned to State Department censors who have remained unidentified because President Kennedy invoked Executive privilege to forbid their questioning.

The speaker's guide provides statements by an imposing array of Government officials from which military men may quote liberally, using the words as their own if they so choose.

These authorities included Secretary of Defense Robert S. McNamara, Deputy Secretary of Defense Roswell L. Gilpatric, Harold Brown, Director of Defense Research and Engineering; Gen. Lyman L. Lemnitzer, Chairman of the Joint Chiefs of Staff, and five Assistant Secretaries of Defense—Paul

H. Nitze, Charles J. Hitch, Thomas D. Morris, Carlisle P. Runge, and Stuart L. Pittman.

Comprehensive articles, prepared by the chiefs of public information in Army, Navy, Air Force, and Marines, outlined Armed Forces developments which could safely be discussed by speakers.

Some of the now-quotable statements would have been slashed by censors in the periods of tension in 1961 which began with the Kennedy inauguration on January 20. Phrases deemed "provocative" or "belligerent" were then deleted because, the State Department asserted, they implied an "all-or-nothing approach" which left no room for "accommodation" with the Soviet Union.

The interpretation of "provocative" has been loosened a little, the guide book revealed, and military spokesmen may now speak of communism as "devoid of moral restraint, fanatically intent upon wiping out the traditions and institutions of the free world."

Such statements, however, should be accompanied by an insistence upon American determination "to seek a peaceful solution to the world's problems." The United States must be pictured as still striving and hopeful for a disarmament agreement.

[From the Dallas Morning News, May 29, 1962]

#### SENATOR THURMOND WAS RIGHT

When Senator STROM THURMOND, Democrat, of South Carolina, and other critics began to use the term "no win" to describe the Kennedy administration's foreign policy, the President and his State Department denied the charge.

The South Carolinian's attempt to establish a cause-and-effect relationship between this "no win" policy and the State Department's censorship of military leaders' speeches ran into the same kind of denials. State Department officials, testifying before the Senate muzzling subcommittee on which THURMOND serves, readily admitted that tough language had been deleted from speeches, but refused to acknowledge that there was any pattern to the deletions or that censorship had anything to do with foreign policy. Suddenly, now, State Department leaders have reversed themselves and admitted (unintentionally, we're sure) that they have been guilty as charged by THURMOND. The confession is contained in a secret report to the Senate subcommittee endorsed by Under Secretary of State George W. Ball, Secretary of State Dean Rusk and Walt Whitman Rostow, chief of the State Department's policy planning council.

In this document there are at least four clear definitions of what the Kennedy administration is or is not seeking in foreign policy:

It is not seeking victory over communism—this goal is completely ruled out.

It is seeking accommodation with the Soviet Union.

It is not attempting to extend freedom—efforts to liberate the satellite nations of Eastern Europe are verboten.

It is trying to discourage the idea that a worldwide Communist conspiracy actually exists.

Moreover, the report confirms that all of these were guidelines for the censorship of speeches. In other words, there was a pattern to the muzzling and the State Department was responsible for establishing and enforcing that pattern.

Let's quote directly from the report:

"The word 'victory' (over communism) has a militaristic and aggressive ring \* \* \* It also implies an 'all or nothing' approach leaving no room for accommodation (with the Soviets)."

"References which might suggest adherence to a policy of liberation of the satellite nations of Eastern Europe were considered inadvisable."



It is "more appropriate to refer to the Communist camp in terms directed at its leadership from the U.S.S.R. and Communist China rather than in terms which imply a worldwide Communist movement."

Edith Kermit Roosevelt, in a syndicated column in the News on Sunday, quoted a highly placed Government official to explain the basis of the State Department's policy views and censorship of military speeches. She quoted him: "The purpose of American policy is to work for a merger of East and West. It is believed accommodation can be reached as the two systems become more alike politically and economically: As the United States adopts a more collectivist pattern of Federal control, while at the same time a consolidation of Soviet rule makes genocide, purges and other less-pleasant attributes of the police state unnecessary."

It's a frightening analysis, but unfortunately there is every indication that it is correct.

[From the Washington Evening Star, May 29, 1962]

#### "VICTORY"—A BAD WORD?

The State Department seems to us to have gotten itself quite awkwardly tangled up in semantics. It has done so by having its censors delete "victory" from a number of speeches by high military officers and by replacing that word with the phrase "defeat of Communist aggression."

As explained in a special report submitted by Under Secretary George Ball to the Senate muzzling investigation, the reason for the deletion is that "victory" has a militaristic and aggressive ring less suited than the substituted phrase to describing our national objectives. It also implies an all-or-nothing approach leaving no room for accommodation."

Well, this strikes us as a lot of nonsense. What would have happened, we wonder, if such censorship had prevailed in the days of John Paul Jones, for example, or David Glasgow Farragut. Would "Don't tread on me" have been changed to read, "Please try to avoid stepping on my toes"? And as for "Damn the torpedoes! Full speed ahead!"—would that have become, "Watch out for those things, boys, and proceed with caution"?

There is good reason, of course, for clearing important speeches through the State Department and most of the resulting modification very probably is sound. Even so, to strike out "victory" has all the earmarks of being a "Nervous Nellie" absurdity. This seems the more true because the word is so frequently used by our potential enemies (oops! sorry, we mean Mr. Khrushchev and his friends) to predict the ultimate triumph of communism everywhere in the world, including America.

[From the Chicago Daily Tribune, May 23, 1962]

#### VICTORY IS A NASTY WORD

The Pentagon has spoken. Its generals and admirals may now warn publicly, in strong language, against the aggressive designs of Soviet Russia, particularly its ambitions to conquer the world.

Only last year, the blue pencils of Defense and State Department censors slashed such phrases as the "Communist challenge," "Communist blackmail," "Soviet bluster," and "Communist threat" from the speeches of high-ranking military officers. The special Senate Armed Forces Subcommittee, which for 4 months has been conducting an inquiry into the Pentagon's cold war policies and its muzzling of outspoken officers, branded this censorship as "odd" and "capricious." Other critics took this as indicative of a "no-win" policy in the Kennedy administration.

Now these once banned phrases, whose truth was obvious even to schoolboys, may

be uttered by our military chiefs. A new Defense Department speakers' guide for military spokesmen says so. It hit the military best sellers' list in time for Armed Forces Day observances last Saturday.

Thus, with the rushing of American troops to Thailand to help hold the Mekong River line against the Communists in Southeast Asia, a measure of commonsense has been restored to official military verbiage. But only a small measure.

Neither Gen. Paul D. Harkins, who commands American troops in Southeast Asia, Gen. Paul Freeman, the army commander in Europe, nor any other military man may yet talk about victory in the struggle between communism and freedom. "Victory" is still a nasty word. The nearest they can come to this is a cautious negative, "the United States does not intend to be defeated."

Nor may our fighting men talk about slavery under the Soviet satellite system or the personal behavior of Russia's Nikita Khrushchev, who once pounded a desk at the United Nations with his shoe.

In fact, censorship of military speech-making will continue. Arthur Sylvester, Assistant Secretary of Defense for Public Affairs, who wrote the foreword to the speakers' guide, said this was necessary so that our country "speaks not from the weakness of contradictory voices but from the strength of one." This would be a much more palatable ruling if the national policy did not have a taboo on "victory."

#### BARRY GOLDWATER—"MR. CONSERVATIVE"

Mr. MUNDT. Mr. President, I take pleasure in calling to the attention of the Congress and the country the interesting book review written by Holmes Alexander on "Mr. Conservative," the biographical book written about Senator BARRY GOLDWATER by Jack Bell, of the Associated Press. I ask unanimous consent that this book review appear in the RECORD at this point in my remarks.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

[From the Boston Sunday Herald, May 27, 1962]

#### GOLDWATER SEEN AS BEST CANDIDATE (By Holmes Alexander)

WASHINGTON, D.C.—On the theory that great men are the product of good biographers, Senator BARRY GOLDWATER's presidential chances and rendezvous with destiny get a big lift from Jack Bell's new book, "Mr. Conservative."

For GOLDWATER this is the third book-length biography within a few months, but the first time that he has encountered a true Boswell. Associated Press Correspondent Bell writes prose that crackles with dry wit.

He has packaged the facts and philosophy so succinctly—often letting the Senator speak for himself—that the 312-page volume only needs an index to turn it into a valuable textbook on the American conservative movement.

This task is accomplished without ever getting bogged down in dialectics and by the enhancement of GOLDWATER's character and integrity in a manner that no mere press agent or political life writer could achieve. This book compares with "John Kennedy, a Political Profile," by Prof. James MacGregor Burns, which appeared in 1960 and, without ostensibly puffing up the subjects, did as much as any single factor to convince thoughtful persons that Kennedy, until then a rather absentee Senator and glamor boy, should be taken seriously

as a statesman with a big future. Bell has done this for GOLDWATER.

The Senator emerges as a handsome, attractive, admirable personality and as something close to the indispensable Republican candidate for 1964. Bronzed, lean, physically fit and utterly fearless, whether facing debate or death, GOLDWATER comes through not as a saint but as a sportsman.

If he strikes an accidental low blow, he is instinctively sorry for it and is quick to say so. The grandson of a Russian Jewish peddler who roughed it in the Wild West, GOLDWATER is a gentleman on a par with the courtliest southerner or most proper New Englander, and he is more pro-American than many whose ancestors helped to found the country.

Bell finds the Senator's chief asset as a purveyor of ideas to be the mind which sees everything—or at least reproduces everything—in tones of black and white. This is not the intellectual approach because there are very few absolutes in life and oversimplification can leave a man far out on a lonely limb. It is not a prudent political approach either, considering the amount of obsequence paid these days to organized minorities.

But when GOLDWATER advocates victory over communism and is charged with being a nuclear warmonger, he comes out for death before dishonor where a lesser man would quibble and apologize. When GOLDWATER advocates cleaning up the relief system and finds himself accused of being inhumane toward illegitimate Negro children, he rides it through by expressing his own broad, genuine humanity, which shows to glowing advantage over his hecklers.

Bell's book is weakest in the rare places where he tries to add a coat of luster to the image where none is needed. Captain GOLDWATER, a transport flyer who clearly made a generous contribution to the war effort, by ferrying single-engine aircraft over oceans and mountains, is pictured as pining for combat. But World War II was a show where anybody yearning to get shot at could find a way to be accommodated.

The biography is strongest when it lines up Goldwater against such adversaries and rivals as Bill Fulbright and John Kennedy, Nelson Rockefeller and Richard Nixon. The book has no message until, with all the weights and measures, pros and cons placed in the record, the author writes his last line:

"Who, but BARRY GOLDWATER?"

Mr. MUNDT. Mr. President, it is seldom in American history that a Senator or Governor from a small State like Arizona—packing an electoral college wallop of only four votes—receives serious consideration for the presidential nomination by either political party. By sheer force of character and by the consistency of his courageous positions on current issues and basic American doctrines, our colleague, BARRY GOLDWATER, has made himself an exception to the rule that "Only candidates from States with large blocs of electoral votes need apply" insofar as consideration for a presidential nomination is concerned. Whether the Republican convention will evaluate his potential candidacy on the basis of the merits of his capabilities and ideologies or whether when the caucuses are held the old rule of practical politics will eliminate him from serious consideration in favor of some candidate who can bring into the victory column a bloc of from 25 to 43 electoral votes from his home State remains yet to be seen. In the meantime, however, it is clear that BARRY GOLDWATER is making

an impression upon American voters which is a great credit to his ability and personality.

Someday—and I hope soon—this Congress should get around to correcting an electoral college system which virtually serves to disfranchise every voting citizen in America of from 25 to 90 percent of his voting authority unless he happens to reside in New York State in which case, even then, he frequently loses his entire vote power for President unless he belongs to one of the great pressure groups or organized blocs which usually determine which candidate comes up with the majority in New York State. Whoever wins in New York State, of course, as in all other States, not only gets all of the electoral college votes earned by him in getting a majority of the popular vote but he also gets all of the electoral college votes earned by his opponent and cast in opposition to the winner by virtue of the manner in which the winner-take-all system of bloc voting in the electoral college has come to operate. It is an undemocratic and inequitable system of selecting a President which needs to be corrected without further delay.

I am pleased, Mr. President, that the Senate Judiciary Committee has had reported to it favorably by an appropriate subcommittee, Senate Joint Resolution 12, which provides an equitable and practical amendment to the Constitution assuring in the future that all American citizens will be given equal vote power in our presidential elections. I hope all citizens interested in correcting the abuses which have crept into our electoral college system will register with Congress their approval of Senate Joint Resolution 12 since it restores the system of electing Presidents contemplated by our constitutional forefathers and practiced in the first several presidential elections in America.

Even assuming the most optimum progress, such as an amendment to the Constitution as is proposed in our electoral reform amendment, Senate Joint Resolution 12, could not be finally adopted in time to have any impact upon any aspirations to the Presidency which might be held by Senator GOLDWATER. However, adoption of this amendment would assure that thereafter any citizen born in America would have an opportunity to become President of the United States if his fame and fortune so decreed without being ruled out by accident of geographic residence or the fact that he comes from a State with a small electoral vote or an area where the votes of the people are considered to be "in the bag."

For this reason, for more than a dozen years I have advocated electoral reform legislation; and Senate Joint Resolution 12, which I authorized and have introduced with Senators THURMOND, MORTON, FONG, HRUSKA, GOLDWATER, and McCLELLAN, provides our best opportunity to correct a basic inequity in our elective process which more than any other factor perils America's future capacity to exercise the rights of self-determination effectively and fairly. This represents the third version of our efforts to solve this serious problem and as our

reform proposals have evolved into final legislative form we are gratified by the overwhelming approval provided by the subcommittee of the Senate Committee on the Judiciary and the favorable response and support coming in from the country generally. There is indeed a growing recognition of what is wrong in our system of electing Presidents and what is needed to correct its gross inequities.

Among other things, Mr. President, a National Committee on Electoral College Reform has been formulated to encourage this effort. It is headed by President John S. Millis, of Western Reserve University in Cleveland, and includes outstanding citizens from every State. The American Good Government Society, situated at 810 Dupont Circle Building, Washington, D.C., is also rendering trojan service in promoting this badly needed electoral college reform.

#### SIXTEENTH ANNIVERSARY OF THE ITALIAN REPUBLIC

Mr. SALTONSTALL. Mr. President, June 2 marked the 16th anniversary of the establishment of the Italian Republic. It is fitting on this occasion that free people everywhere should pay tribute to the remarkable progress made by this young republic in its 16 years of existence, as well as express appreciation for the many contributions which people of Italian heritage have made to the enrichment of our lives.

The people of modern Italy can look back with pride at the many accomplishments of their ancestors. Museums all over the world are filled with magnificent works from the brushes of the Italian masters, such as Michaelangelo and Botticelli. Opera lovers thrill to music from the pens of Verdi and Puccini. In literature, in cuisine, in fashion—in these areas and in countless others—the world's debt to Italy is heavy.

But the Italian people need not look to the past to be proud they are Italians. They can take pride in the amazing rebirth of their country since 1946 as an energetic and thriving democratic nation. The struggle of the Italian people to establish a firm foundation on which to erect a democracy has, unhappily, been a long and bitter one. For many years they lived under the corrupt domination of power-hungry leaders. In our own generation we have witnessed the almost complete demoralization of their spirit by the Fascists and Mussolini. But the strong will and determination of the people and their leaders have enabled the country to make great strides since they voted to replace the monarchy with a republic.

The Republic was created in a time of national crisis and faced many obstacles to success. In 1946 Italy was a country which had been ravaged by war, financially unstable, economically insufficient, with families torn apart by death and separation. There was much unrest and despair. These factors, and others, made the new nation vulnerable to the blandishments of political extremists, especially the Communists.

Yet Italy has successfully met these challenges and—though the task is not

yet completed—in this short period has achieved a strength hardly visualized by even its strongest supporters. Industrial production has been doubled in the past 10 years, chronic unemployment and poverty alleviated, and both imports and exports have risen significantly.

On the international front, Italy has become a full partner in the activities of the free world, is an important member of NATO, the United Nations, and the Common Market. In the period from 1950 to 1960 it was second only to West Germany among the Common Market countries in its gross national product growth rate, and in 1961 it led all Common Market countries in this respect.

Americans are pleased to realize that Italy's success was advanced substantially by the generosity of our contributions through UNRAA, the Marshall plan, our foreign aid and military assistance programs, and other forms of help. Italy's resurgence gives special satisfaction to those of us who supported these programs with the conviction that they would help less fortunate nations to rebuild and develop. But the importance of our contribution does not detract from the basic fact that Italy's progress rests primarily on her own determination and ingenuity.

We Americans are justly proud of the Italians who have migrated to this country and have contributed their talents and energies to the development of our Nation. These industrious and hard-working people have made solid citizens. Many of them have settled in my home State of Massachusetts, and all of us are proud of their achievements. Our present Governor, John A. Volpe, is an Italo-American and many other fine people of similar background have assumed important positions of trust and responsibility in our Commonwealth.

So, on the occasion of the anniversary of the Italian Republic, we take this opportunity to wish Italy continued success in her endeavors to bolster her economy and strengthen her political foundations, and we congratulate her on the remarkable progress she has made thus far.

Mr. BEALL. Mr. President, last Saturday, June 2, a day when the Senate was not in session, was the 16th anniversary of the establishment of the Republic of Italy, and I would not want this occasion to pass without saluting the Republic and extending my good wishes to the people of Italy, and to the many fine Americans of Italian extraction.

The Republic of Italy took the place of an oppressive dictatorship, which ended as all dictatorships end, in disillusionment and the reasserting of human rights and human dignity. The Republic had, and has, the same noble purposes as the American Republic. The new Republic has had its difficulties, and no doubt there will be more, but as long as the people of Italy hold on to this form of government, they will be able to solve their problems and protect themselves against those who would undermine their relatively new freedom.



The Americans of Italian descent are among our finest and sturdiest people. They have contributed much to America in many ways—in initiative, energy, scientific ability, talent, and loyalty. To these, our friends and fellow Americans, I extend my congratulations on the occasion of the birth of republican form of government in the land of their ancestors.

#### BYRD AUDIT OF THE FISCAL CONDITION OF THE UNITED STATES

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a column written by Arthur Krock and appearing in the New York Times on June 1.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

#### BYRD AUDIT OF THE FISCAL CONDITION OF THE UNITED STATES

(By Arthur Krock)

WASHINGTON, May 31.—The bare dollar statistics of the first in a series of audits that Senator BYRD of Virginia proposes to make of the financial condition of the U.S. Government are colossal, even for a corporation of this size and potential wealth. The citations that the current direct debt, public and private, amounts to \$1,058.5 billion, and that in the 9 relatively prosperous years following the Korean war there have been six Federal budget deficits, with a net of at least \$29 billion, are highly pertinent to the future of our economy.

There is weight also in points made by Government and other economists to counteract the public psychology of alarm which would be created by the first Byrd audit, standing alone. It is quite true that a calculation of the national income-and-products account indicated, before the tumbling stock market prices added their constrictive potential to business ventures, that on December 31 next this account will show a deficit of only about \$600 million.

But there are several important differences between a specific audit of the existing obligations of the Government on May 31, 1962, and a calculation of what the national income-and-products account may show 7 months from now. The first is a reality. The second is an estimate. And, while there is merit in the argument that this estimate if borne out will be a better index of the state of the Union than the administrative budget (which dominates fiscal publicity, because it requires legislation and must therefore be submitted to Congress), it is the latter on which world financiers form their judgment of national solvency. And on this judgment depends the rate of the flow of gold from the United States that is a great source of current anxiety.

#### A BREAKDOWN OF THE AUDIT

For all these reasons the official and private communities should note, mark, and inwardly digest Senator Byrd's first audit and those to follow. Among the highlighted statistics of his opening study were:

1. In the next fiscal year, beginning July 1, the Government's authority to obligate funds will amount to "at least \$1,242 million." Yet this cannot be a complete audit because "untold sums for future spending" are being sought by the administration "and cannot be calculated." These future commitments will include the interest on the Federal debt (now rising to \$308 billion); pensions, retirement and compensation (such as medicare) expenses; grants to States and to individuals; major subsidies, such as those to farmers; foreign aid and public works.

2. About 200 "actions and proposals involving new and increased Federal obligation of public money and credit" are the product of Presidential messages to Congress thus far in the Kennedy administration. And the Executive has indicated it expects perhaps 95 percent of these to have been acted on favorably to some degree by Congress before July 1, 1963.

"It is to be recognized," said Senator BYRD, "that the ultimate cost of great portions of the Government's obligations is to be determined by the development of contingencies \* \* \* The remoteness of these contingencies is to be determined by the stability of the Nation's economic condition and the soundness of the Government's financial position. Under conditions of Federal paternalism, intervention, and control which have been allowed to develop in this country [these] existing obligations and future commitments are vital elements in the Nation's stability. [Meanwhile it should be noted that] Federal spending in 1963 will be \$25 billion higher than it was 9 years ago; the Federal debt has reached the highest point in history; and the value [purchasing power] of the dollar has continued to drop."

These are factual reports, and therefore comprehensible to anyone able to read them. They are not the whole story, but they are vital parts of it without which no appraisal of the balancing chapters can be reached either by a layman or an economic expert. It may be, as now argued in expert economic circles, that Byrd's first audit makes only a superficial case for a halt to Government spending for programs which can safely be postponed, and that what the country needs now is just the opposite, and supplemented by tax reduction. But the one is a condition, the other is a theory. And President and people should require a stronger prospectus of the other than well-fashioned prose.

#### FEDERAL AID: BAD BARGAIN

Mr. BYRD of Virginia. Mr. President, when I came to the Senate, the number of so-called Federal-aid-to-States programs could be counted on the fingers of one hand; I remember specifically only two—the highway program and the land-grant college program. Federal expenditures in these programs were negligible. Now there are more than 60 of such programs, and expenditures through them last year totaled \$7.1 billion.

These are programs through which the Federal Government collects money from taxpayers in the respective States, brings it to Washington, clips it for 15 to 20 percent in overhead expenses, and then passes it back to States on Federal formula, with the strings of centralized Government attached.

The Tax Foundation is a highly reputable independent organization engaged in Federal, State, and local government research. The foundation recently conducted a study which showed the way States were faring under this program.

The Richmond, Va., Times Dispatch, in its edition of Sunday, May 20, 1962, devoted its lead editorial to the Tax Foundation's study. I found the editorial to be very interesting; and I think it will be of interest to other Members of Congress and the general public.

For this reason I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### FEDERAL AID: BAD BARGAIN

"Virginia was the only State to break even last year on what it paid for and got back in Federal aid," according to the Tax Foundation of New York.

The fact that Virginia broke even is not of particular significance. The breaking even was more or less a mathematical accident. A more significant fact is the wide disparity between the amounts some States put up for Federal aid and the amounts they get back.

The Tax Foundation compared (1) the amount of Federal grants allocated to each State with (2) the estimated tax burden borne by the citizens of each State to finance the Federal aid program.

The figures showed that 14 States lost on the deal with Uncle Sam, while 35 other States apparently got back more than they paid out.

For every \$1 in Federal aid received, the States paid out amounts ranging from a low of 17 cents (Alaska) to a high of \$2.07 (New Jersey).

But the Tax Foundation emphasizes:

"For the 35 States which apparently got back more than they paid out, the distribution from Washington might not be the bargain it looks like. The costs of tax collection and aid administration are not included. Nor are the large sums the States must put up from their own funds to match Federal grants."

Federal aid is justified in financing those activities—interstate road building, for instance—in which the Federal Government has a legitimate interest. But aid programs have expanded far beyond that concept and now touch scores of governmental activities that properly should be the responsibility of States and localities.

Federal aid in such cases is wrong for two basic reasons:

1. It takes away State and local control over the activities involved, since grants from Uncle Sam always carry strings which give the Federal Government at least partial control.

2. It is economically unsound, since it costs money to administer this roundabout procedure in which the Federal Government collects funds, and then channels what is left of them back to the States and localities.

The States and localities are looking increasingly to Uncle Sam for help. It would make a lot more sense for the Federal Government to surrender some of its tax sources to the States, and let the States tap those sources, if they wish to do so.

The Advisory Commission on Intergovernmental Relations, set up 3 years ago, has been working toward that goal, but without much success.

While the Tax Foundation reported that Virginia last year received \$1 in aid for every \$1 it put up, studies for other years, made by other groups, have shown Virginia receiving less than a break-even amount.

The Virginia Commission on Constitutional Government, for example, reported that for the year ended June 30, 1960, "for each dollar paid by Virginians in Federal taxes required to finance these grants throughout the 48 States and the District of Columbia \* \* \* 93 cents came back to Virginia."

The Foundation explains that in making its computations, it did not use Federal tax figures exactly as reported by the Treasury, but, instead, attempted to credit taxes to those who paid them originally. For example, the Foundation endeavored to allocate the tobacco tax burden among smokers in the 50 States, on the basis of population, rather than attributing those taxes to the

tobacco-manufacturing States, where the taxes are collected by the Federal Government.

Even allowing for some incorrect estimates, however, the Foundation's figures are interesting in that they show the general pattern, with the wide discrepancies between benefits to the various States from Federal aid. Here are the statistics:

State	Payments to States	Estimated tax burden	Amount paid per dollar received
Total	Millions \$6,866.8	Millions \$6,866.8	
Alabama	170.4	86.8	\$0.51
Alaska	39.8	6.9	.17
Arizona	74.2	50.2	.68
Arkansas	99.0	45.7	.46
California	624.2	729.8	1.17
Colorado	94.4	71.2	.75
Connecticut	85.5	129.3	1.51
Delaware	15.0	30.2	2.01
Florida	175.3	184.8	1.05
Georgia	133.0	116.3	.64
Hawaii	30.2	20.7	.69
Idaho	40.5	23.7	.59
Illinois	352.7	428.0	1.21
Indiana	141.3	175.0	1.24
Iowa	98.0	93.6	.96
Kansas	91.8	77.7	.85
Kentucky	134.8	82.8	.61
Louisiana	199.1	94.1	.47
Maine	42.1	33.7	.80
Maryland	92.5	122.8	1.33
Massachusetts	171.7	213.4	1.24
Michigan	244.7	305.0	1.25
Minnesota	142.0	121.9	.86
Mississippi	120.1	49.4	.41
Missouri	197.5	167.6	.85
Montana	48.9	25.4	.52
Nebraska	70.4	52.7	.75
Nevada	22.7	16.2	.71
New Hampshire	29.7	23.0	.77
New Jersey	132.4	273.8	2.07
New Mexico	69.2	35.3	.51
New York	460.7	750.4	1.63
North Carolina	146.0	127.4	.87
North Dakota	42.0	19.0	.45
Ohio	305.1	387.1	1.27
Oklahoma	168.1	82.1	.49
Oregon	77.7	71.7	.92
Pennsylvania	310.8	440.5	1.42
Rhode Island	34.3	33.2	.97
South Carolina	89.0	60.4	.68
South Dakota	49.7	20.9	.42
Tennessee	169.3	100.8	.60
Texas	359.8	352.1	.98
Utah	50.3	30.2	.60
Vermont	27.8	13.3	.48
Virginia	132.8	131.7	1.00
Washington	113.2	109.5	.97
West Virginia	91.2	51.3	.56
Wisconsin	107.0	143.3	1.34
Wyoming	34.5	16.2	.47
District of Columbia	65.0	38.5	.60

#### FINANCIAL CONDITION OF THE U.S. GOVERNMENT

Mr. BYRD of Virginia. Mr. President, on May 30, 1962, I made public a statement setting forth my findings with respect to the financial condition of the U.S. Government.

I ask unanimous consent to have that statement, along with a note of introductory explanation, made a part of these remarks and published in the RECORD.

There being no objection, the statement and introductory explanation were ordered to be printed in the RECORD, as follows:

##### STATEMENT BY SENATOR BYRD OF VIRGINIA

This is the first of a series of statements relating to the financial condition of the U.S. Government which I shall make on the floor of the Senate during the coming weeks.

It is logical that examination of this subject should start with existing obligations of the Government; so this statement (with documentary notes) is confined to debt, commitments, and authorizations.

Other statements will follow as soon as they can be carefully developed and documented. Each subsequent statement will

treat other aspects of the Government's financial condition.

Urgent need for such a study was made clear in January when it became known that the administration planned to ask for legislation raising the statutory Federal debt limit to \$308 billion.

A full-scale study of the subject should be made by the Finance Committee and I shall recommend that the committee undertake a formal public investigation as soon as time will allow.

A top-to-bottom analysis and study of the present financial condition of this Government is a monumental task, and to date there simply has been no opportunity for the committee to schedule the work.

The committee still has before it the omnibus tax bill, and the bill to extend corporation and excise tax rates, the tariff bill, the sugar bill, social security and veterans legislation, etc., are yet to come.

In addition there may be legislation to raise the Federal debt limit again, provide medical care for the aged through the social security system, federalize unemployment compensation, etc.

The need to examine the financial condition is vital; the necessity for temporary postponement of formal investigation is unfortunate; I shall recommend its opening at the first opportunity.

Meanwhile, under the circumstances, with the assistance of staff and facilities available to me, I personally have undertaken preliminary studies on the subject.

My findings will be outlined in a series of reports to the Senate; and the first of these reports follows:

#### OBLIGATIONS AND COMMITMENTS OF THE U.S. GOVERNMENT

The U.S. Government in fiscal year 1963, beginning July 1, will have current authority to obligate funds, outstanding Federal debt and other commitments of at least \$1,242 billion.

This approaches \$1½ trillion, but it is far from a complete statement of the Government's actual and potential obligations because untold billions in commitments for future spending cannot be calculated.

##### One and a quarter trillion dollars

The authorizations, debt and other commitments included in the \$1,242 billion are treated more fully later in this statement, but at this point they are summarized in rounded figures as follows:

Current authority to obligate, such as appropriations, balances, etc., estimated only through fiscal year 1963, beginning July 1, 1962	\$188
Outstanding Federal debt in Treasury securities, etc., estimated as of the beginning of fiscal year 1963 on July 1, 1962	296
Promises to pay under contingencies specifically fixed in existing law, such as Federal insurance in force, guaranteed loans, etc.	338
Other, including such moral commitments as unfunded accrued liabilities of Federal trust funds, securities issued by Federal agencies in addition to the regular debt, etc.	420
Total	1,242

(See table which appears under the heading "Calculable Obligations of the U.S. Government.")

##### Beyond calculation

Billions in clear Federal commitments for future years are in addition to this \$1½ trillion. They are omitted simply because they cannot be calculated beyond fiscal year 1963.

These commitments for the future which cannot be calculated at this time are discussed further, but at this point they are

summarized in categorical examples as follows:

Interest on the Federal debt.  
Pensions, retirement, compensation, etc.  
Grants to States.  
Payments to individuals.  
Major subsidies.  
Foreign aid.  
Public works.

Obligational authority in these categories for the coming year is included in the \$1½ trillion; Federal commitments to spend billions in these areas in the future are clear and certain, but they are too indefinite to calculate.

They cannot be reliably computed for the future for a variety of reasons involving duration, developments, administrative policy, and other indefinite factors which generally will be obvious:

Future interest on the Federal debt: The \$1½ trillion includes interest for only one fiscal year, 1963. Future obligation is certain but impossible to calculate in terms of duration, refunding, interest rates, etc.

The debt is going up, and so are interest rates. Recent Treasury policy has been to convert more of the debt into long-term bonds. This would tend to freeze high rates on current issues. There was a March 1962 refunding for 36 years.

Interest on the debt currently is averaging 3.215 percent, but the yield rate on recent issues has ranged up to 4.125 percent. The Federal interest obligation for the coming year alone is estimated at \$9.4 billion.<sup>1</sup>

Pensions, retirement, compensation, etc.: The \$1½ trillion includes obligations of this nature for only one fiscal year, 1963. Future commitments are certain but impossible to calculate in terms of duration and other indefinite factors.

Exclusive of trust fund programs, obligations in this category for fiscal year 1963 alone are estimated at \$7.1 billion. This 1963 figure includes \$5 billion<sup>2</sup> for veterans' pensions, compensation, and hospital care.

Included also for 1963 only are \$1.1 billion<sup>3</sup> for military, Coast Guard, and Public Health officer retirement pay, and \$1 billion<sup>4</sup> in 1-year Federal agency contributions to civil service retirement, and health and life insurance premiums.

Grants to States: The \$1½ trillion includes direct grant obligations for only one fiscal year, 1963. Future commitments are certain but impossible to calculate in terms of duration, State activities which qualify for matching, etc.

Many of these programs are based on statutory formulas which make Federal payments mandatory when State and local programs conform to Federal standards. The \$2.7 billion-a-year public assistance program is an example. The grant trend is up.

Exclusive of payments from trust funds (such as that for highways) and shared revenues, Federal expenditures through 47 grant-in-aid programs for the one fiscal year 1963 are estimated in the budget document at \$5.7 billion.<sup>4</sup>

Payments to individuals: There are more than 30 programs under which the Federal Government makes payments directly to individuals, such as those for agricultural conservation, scientific and health research, scholarships, fellowships, etc.

In certain of these programs the payments are under agreements or contracts extending for more than 1 year. The \$1½ trillion of computable obligations includes commitments to pay individuals for only the one fiscal year, 1963.

Exclusive of computable soil bank obligations and trust fund programs, so-called Federal payments to individuals for fiscal

<sup>1</sup> 1963 Bud. Doc., p. 108.

<sup>2</sup> 1963 Bud. Doc., pp. 164, 187, and 233.

<sup>3</sup> 1963 Bud. Doc. App., pp. 920-922.

<sup>4</sup> 1963 Bud. Doc. table H-3, p. 344.



year 1963 alone are estimated at \$2 billion.<sup>5</sup> Future commitments are surely involved, but they cannot be calculated.

Major subsidies: The \$1¼ trillion includes funds for Federal programs generally referred to as Government subsidies only for fiscal year 1963. Continuing commitments in these programs are certain but they cannot be calculated.

Major Federal subsidies include payments to agricultural interests through the price-support programs, and payments to commercial interests for airline operations and ship construction and operating differentials.

Obligations under these programs in fiscal year 1963 are estimated at \$4 billion.<sup>6</sup> Other Government payments frequently described as Federal subsidies, including the postal deficit, are in addition to those mentioned.

Foreign aid: In the past it has been the policy of Congress, as far as possible, to keep foreign aid authorizations on a year-to-year basis. In the more recent years there has been continuing pressure for a policy of long-term commitments.

With or without this change in policy, future foreign aid obligations are certain and

they are beyond calculation. The \$1¼ trillion in computable obligations includes \$18.4 billion<sup>7</sup> for foreign aid and funded subscriptions to international financial institutions.

This figure probably should be increased by \$5.2 billion<sup>8</sup> for unfunded foreign assistance loans and subscriptions to international financial institutions. This has been authorized in basic law to be provided after fiscal year 1963, but has not yet been appropriated.

Public works: The \$1¼ trillion computable obligation figure includes \$9.1 billion<sup>9</sup> for completing Federal civil works projects already underway in fiscal year 1963. It does not include projects to be started after 1963.

The cost of civil public works presently authorized by law but yet unfunded is estimated at \$12.8 billion.<sup>10</sup> Together the actual and potential Federal obligations for civil public works total approximately \$22 billion.

This civil public works figure is exclusive of the actual and potential obligations for military construction on installations, bases and facilities of the Armed Forces throughout continental United States and overseas.

All of these clear but incalculable commitments for the future are in addition to others including the general cost of Federal Government, the space race, cold war military requirements, etc.

#### Calculable figures

The Government debt, authorizations to obligate (including the President's new requests for fiscal year 1963) and commitments in the \$1¼ trillion calculation developed in this statement are limited to:

1. Actual debt estimated to be outstanding as of July 1, 1962;
2. Actual spending authorizations available and those requested by the administration for fiscal year 1963;
3. Contingent commitments which are firmly fixed and clearly specified in existing law; and
4. Moral obligations which may be reasonably assumed as attached to trust funds operated under Federal egls, etc.

On this basis, and with the best official information available, the debt, authority to obligate, and commitments of the U.S. Government are calculated as follows:

*Calculable obligations of the U.S. Government, including Federal debt, commitments, authorizations, etc., estimated for fiscal year 1963 (based on latest official data)*

[In billions]

Obligations	Total	Remarks
<b>DIRECT</b>		
Debt outstanding:		
Treasury securities.....	\$295.4	Public debt (1963 budget document, p. 40).
Guaranteed obligations.....	.5	Largely FHA debentures (1963 budget document, p. 40).
Unpaid obligations.....	47.3	\$45.4 billion in funds available (1963 budget document, p. 268), less \$0.1 billion invested in Federal securities (Budget Bureau letter, Apr. 26, 1962); plus outstanding contracts under DPA of \$0.6 billion (1963 budget document appendix, p. 60) and soil bank of \$1.4 billion (1963 budget document appendix, p. 118, with informal official estimate).
Unused authority:		
Unobligated balances.....	31.0	\$36.3 billion in appropriations, debt authority, revolving funds, etc. (1963 budget document, p. 268), less \$1.5 billion invested in Federal securities (Budget Bureau letter, Apr. 26, 1962), and \$3.8 billion available partially to meet insurance obligations (1963 budget document appendix, p. 802, for FDIC and p. 807 for FSIC).
New 1963 appropriations, etc., requested.....	99.3	\$97.8 billion in appropriations, \$1.1 billion in authority to charge in debt, and \$0.4 billion in contract authority and reappropriations (1963 budget document, table 15, p. 117).
Additional obligational authority.....	1.1	Debt authority of \$800 million for 1964-65 college housing loans (Public Law 87-70) and \$500 million for 1964-67 veterans direct loans (Public Law 87-84).
Unfunded cost of started public works.....	9.1	Cost after 1963 to complete civil public works projects already underway (1963 budget document, table F-3, p. 317).
Subtotal, direct.....	483.7	
<b>CONTINGENT</b>		
Loans guaranteed and insured.....	65.2	Largely housing mortgages (Treasury Department report "Long-Range Commitments and Contingencies of the U.S. Government, Dec. 31, 1961").
Insurance in force, etc.....	272.8	Largely insurance of bank and savings deposits up to \$10,000 and veterans life insurance (Treasury Department report "Long-Range Commitments and Contingencies of the U.S. Government, Dec. 31, 1961").
Subtotal contingent.....	338.0	
<b>OTHER</b>		
Social security trust fund.....	330.0	Unfunded accrued liability, Dec. 31, 1961 (social security memo, May 28, 1962).
Civil service retirement.....	32.5	Unfunded accrued liability, June 30, 1961 (Civil Service Commission Annual Report, 1961, p. 34).
Railroad retirement.....	5.1	Unfunded accrued liability, Jan. 1, 1960 (Railroad Retirement Board, 8th actuarial evaluation report, p. 24).
Federal Reserve notes.....	5.2	U.S. obligations by law. Treasury Department report "Long-Range Commitments and Contingencies of U.S. Government, Dec. 31, 1961," showed \$23.1 billion in circulation, with \$22.9 billion of covering collateral in public debt. Collateral in public debt deducted here to avoid duplication in debt figure (above) in this computation.
Federal agency debt, not guaranteed by United States.....	2.0	Issued under Federal authorizations against agency resources; outstanding Mar. 31, 1962 (Treasury Department Bulletin, April 1962, p. 26).
Highway trust fund.....	38.5	Remaining Federal share of estimated obligations required for Federal-State highway systems from July 1, 1962, to June 30, 1973, in accordance with Highway Act of 1956 (H. Doc. 349, 87th Cong., 2d sess., p. 8).
Subtotal, other.....	420.3	
<b>Total.....</b>	<b>1,242.0</b>	

<sup>1</sup> Unfunded accrued liability defined and discussed on p. 7.

The \$295.4 billion direct debt figure used in the computation is low. It is used only because it is the official estimate of the Treasury debt level at the start of the fiscal year, July 1, 1962 (1963 Bud. Doc., p. 40).

The Federal debt is higher than that now (see latest daily Treasury statement). The Treasury estimates that it will reach \$307

billion within the year (Treasury memo for Senate Finance Committee, January 8, 1962). This is why raising the debt limit to \$308 billion will be requested.

Federal debt has risen some \$30 billion since the end of the Korean war (1963 Bud.

<sup>7</sup> 1963 Bud. Doc., p. 103; and App., pp. 82 and 334.

<sup>8</sup> Public Law 87-195, Public Law 86-147; 1963 Bud. Doc., pp. 70 and 80; and Public Law 86-565.

<sup>9</sup> 1963 Bud. Doc., table F-3, p. 317.

<sup>10</sup> 1963 Bud. Doc., table F-4, p. 319.

Doc., p. 42). The statutory debt limit a year ago was \$293 billion. It was raised twice within a period of 9 months, July 1961-March 1962.

The limit is now \$300 billion, and the debt is almost the same. If the limit is raised to \$308 billion by June 30, it will have been raised three times within a year by a total of \$15 billion. It was raised \$5 billion on June 30, 1961, and \$2 billion on March 13, 1962.

The \$1¼ trillion computation uses a \$500 million estimate for Federal agency obligations guaranteed by the faith and credit of

<sup>5</sup> Estimate based on table 92, pt. B, 1961 Annual Report, Secretary of the Treasury, p. 693.

<sup>6</sup> 1963 Bud. Doc., pp. 145-148, 158-159, and 250.

the United States. This also is a starting estimate for 1963 (Bud. Doc., p. 40) and it, like the direct debt figure, probably is low.

Federal Housing Administration debentures are the largest guaranteed item. The opening figure for fiscal year 1963 is \$445 million, but the budget estimates that it will rise to \$629 million during the year (1963 Bud. Doc. App., p. 736).

The National Housing Act authorizes FHA to issue these fully guaranteed debentures (unlimited as to total amount) to lending institutions and other mortgages in exchange for foreclosed private mortgages which it has insured.

When FHA mortgagees demand immediate payment on claims arising from bad mortgages, this (back-door debt) debenture device provides a negotiable substitute for cash and at the same time postpones the necessity to use FHA reserves.

Some \$43 billion in outstanding FHA insurance on mortgages<sup>11</sup> is included among the contingent liabilities computed in the \$1½ trillion, and there is no dollar limit on insurance which FHA can issue on housing mortgages in the future.

The amount outstanding in FHA debentures has risen steadily from \$139 million in fiscal year 1960. It totaled \$220 million in 1961; it is estimated at \$445 million in the current fiscal year and the budget estimates it at \$629 million for the coming year.

The \$1½ trillion computation includes a total of \$99.3 billion in new obligational authority (appropriations, etc.) as requested by the President in the budget document for fiscal year 1963 (p. 34). This figure will be \$535 million higher if postage rates are not increased.

Like the figure for direct debt and guaranteed obligations, this figure also is likely to be low. In the legislative process Congress will reduce some items and raise others; and there will be additional request and supplemental authorizations as the year goes on.

The President's February 19-March 26, 1962, requests for authority to obligate more money for emergency public works is an example. He may not get all he asked, but he probably will get more than the \$3.9 billion (exclusive of highways) originally requested in January (1963 Bud. Doc., p. 316).

The nature of the works programs proposed and contemplated by the administration under so-called emergency conditions would make costly realities out of public works projects and activities heretofore regarded as remote and unlikely objectives of Federal expenditure.

The \$1½ trillion takes into account certain obligations which some choose at this time to describe as "remote" and "moral." They are included in the computation generally under the headings "Contingent" and "Other."

The views of those who contend that inclusion of the items in the remote and moral categories overstates the case are recognized. But the purpose of this statement is to show and compute the Government's obligations and commitments as they exist.

It is understood, for example, that real property stands between Government-insured mortgages and the Government's ultimate liability; bank assets are in the same position in the program for Federal insurance of bank deposits, etc.

And, as official Government agency reports point out, experience in this area of Federal commitments has been favorable. This is all to the good, because under the law these commitments are promises to pay when conditions are unfavorable.

These commitments are in fact fixed in law. Remoteness of contingencies which

would trigger payments was not considered in establishment of the program. When these laws were written unfavorable conditions were not remote at all; they were recent experience.

The \$1½ trillion includes the full amount of bank and savings deposit insurance obligations of the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation simply because the law makes the Government liable for amounts due.

The item is computed under "Insurance in Force." As of December 31, 1961, the amount was \$231.5 billion, according to a Treasury report of the same date on "Long-Range Commitments and Contingencies of the U.S. Government."

Deposits up to \$10,000 are insured by these two agencies—FDIC and FSLIC—and as part of their reserves they hold \$2.9 billion in Federal securities which, for purposes of this statement, are computed in the \$295.4 billion Federal debt (unduplicated elsewhere).

It is to be hoped that serious call on this deposit insurance will never develop; but if it should, it is probable that the Government already will be on a deficit financing basis and without a balance to redeem Federal securities the corporations hold.

Under such circumstances the Treasury would be faced with the necessity of attempting to transfer this debt to public ownership along with the sale of additional Federal securities in an effort to satisfy the further liability.

It is understood also that trust funds such as those for social security and railroad retirement are designed to be self-financing outside of the general revenue; but moral obligations on the Government are inherent in such programs, and they can not be disregarded.

The funds were originated under Federal statute. They are managed by Federal agencies. The Federal Treasury collects the taxes. And the Federal Government dictates their policies and tax rates. Recipients look to the Federal Government for payment.

In view of conditions such as these, if any of these funds should become insolvent, it is certain that those who have made compulsory contributions, and conformed to Federal standards and regulations, will expect the obligations to be met from the Federal Treasury.

The \$1½ trillion computation takes into account this assumption with respect to contributory Federal trust funds. It includes as "Moral Obligations" amounts equivalent to best estimates of what are officially referred to<sup>12</sup> as "unfunded accrued liabilities" of the funds.

Language to be found on page 35 of the 1962 Annual Report of the Social Security Trust Fund Trustees is used generally to describe "unfunded accrued liabilities" in these funds as:

"The actuarial deficits which could be calculated as of a given date, if account were taken only of (a) benefits to be paid workers covered by the system to that date and to their dependents and survivors, (b) future taxes to be paid by such workers, and (c) the existing trust funds."

Better means of measuring obligations of compulsory-contributory Federal trust funds are desirable; "unfunded accrued liabilities" are used because no better yardstick is available. But the fact is commitments involving the Federal Government do exist in these programs.

The Federal National Mortgage Association and certain other Government agencies

have issued their own securities, outside of the regular Federal debt. Securities of this nature now total \$9 billion (Treas. Bull., April 1962, p. 26).

These securities are not literally guaranteed by the faith and credit of the U.S. Government, but their issuance is authorized by Federal law, and they are backed by so-called resources of Government agencies which issue them.

Holders of securities such as these can be expected to assume the attitude that the Federal Government has a moral obligation to back up this type of debt. For this reason these obligations are included in the \$1½ trillion computation.

Finally, the \$1½ trillion computation includes Federal Reserve notes which, by law, are obligations of the United States, and the remaining Federal share of estimated obligations required for Federal-State highway systems to June 30, 1973.

The latest Treasury Department report on "Long-Range Commitments and Contingencies" showed \$28.1 billion of Federal Reserve notes in circulation and that \$22.9 billion of the covering collateral was in the Federal debt as of December 31, 1961.

The Federal Highway Act of 1956 established Federal-State highway construction schedules through 1973. The Federal share of the remaining costs in this joint undertaking is estimated at \$38.5 billion (H. Doc. No. 349, 87th Cong., 2d sess., p. 9).

#### New proposals

Some 200 actions and proposals involving new and increased Federal obligation of public money and credit can be documented in Presidential messages and communications to Congress during the current administration which began in January 1961.

The budget document for fiscal year 1963 (pp. 118-266) and other official publications indicate that the administration expects numerically up to 95 percent of its actions and proposals to have been implemented in some measure before the end of fiscal year 1963.

It may be notable that this statement gives no consideration to the administration's proposal to finance medical care for the aged out of the Social Security Trust Fund or the proposal for the federalization of unemployment insurance compensation.

The computation does include \$233 million in Federal grants during fiscal year 1963 for defraying medical-care expenses for the aged under the Federal-State public assistance program as it is provided in the budget (1963 Bud. Doc. App., p. 432).

Medical care for the aged through expansion of social security fund benefits, as proposed by the administration, is not included in the \$1½ trillion computation for two reasons:

1. Trust fund budget projections to date carry neither obligation nor liability estimates on the proposal; and

2. Figures used in the \$1½ trillion computation are of an actuarial nature with the cutoff date taken as of December 31, 1961.

The lowest first-year cost estimate of the administration's proposal to finance medical care for the aged through the trust fund of the social security system has been \$1.1 billion. Other estimates of the first-year cost have run much higher.

These estimates have been given in testimony before congressional committees (Hearings before House Ways and Means Committee on H.R. 4222, vol. 1, p. 41) in connection with pending bills. Estimates in terms of increased liabilities against the fund have not been submitted in testimony.

The unemployment insurance and compensation program, as operated to date, generally has been financed from special taxes on employers under rates and standards which vary among the States. The compensation also varies among the States as to amounts and duration.

<sup>11</sup> Treasury Department report, "Long-Range Commitments and Contingencies of the U.S. Government, Dec. 31, 1961."

<sup>12</sup> "8th Actuarial Valuation of the Assets and Liabilities Under the Railroad Retirement Acts, Dec. 31, 1959," p. 24; "22d Annual Report, Board of Trustees OASI Trust Fund," Feb. 22, 1962, p. 35; Social Security Administration memorandum, Apr. 10, 1962.



There have been so-called emergency occasions when repayable advances have been made to the accounts of some States from the general fund of the Federal Treasury. But, in fact, Federal obligation otherwise has been rejected.

Under the circumstances with respect to this program, as they presently exist, computations in this statement do not include any Federal financial obligation for unemployment insurance compensation in fiscal year 1963 or beyond.

But the administration has proposed extensive federalization of the program through uniform standards, taxes, and payments. If this proposal should be adopted, Federal obligations—without doubt—would develop quickly in increasing amounts.

Many of the new proposals which have been generally treated to this point merit special mention relative to their potential obligations. Examples include:

1. The proposal for Federal pay (reform) raises. 1963 budget requests include \$200 million for the first 6 months beginning January 1, 1963 (Bud. Doc., p. 266); a 3-year buildup at the rate of approximately \$300 million a year is recommended; the ultimate increase is estimated at \$1 billion a year ad infinitum.

2. Alliance for Progress: The budget for fiscal year 1963 includes an appropriation request for \$600 million (p. 137). The President has requested \$3 billion in long-term authorizations (H. Doc. No. 362, p. 3). Under international agreement the program is estimated to spend \$20 billion to be derived from public and private sources.

3. Space exploration (including moon shot; man on the moon in 10 years): The budget requests \$3.8 billion (p. 72) for fiscal year 1963; the President last year indicated space costs would run up to \$9 billion over 5 years; unofficial estimates place the ultimate costs of sending a man to the moon as high as \$40 billion.

4. Civil defense: The budget includes 1963 authorizations totaling \$700 million (p. 173). Emphasis has been placed on grants for shelter construction, supplies, etc. Ultimate cost figures have not been developed.

5. Urban renewal and transportation: Federal commitments for slum clearance, urban renewal, and community facilities have been building up for years. Transportation was added to this group last year. All have been increased this year. They have been treated generally in this statement. Rebuilding cities and the Nation's transportation systems could provide a bottomless pit for Federal commitments.

#### CONCLUSION

##### In summary:

1. Obligations of the U.S. Government in the form of current authority to obligate public funds, outstanding Federal debt, and other commitments can be calculated to approximately \$1 1/4 trillion.

2. But, as a total of the Government's obligations, this figure is far from complete; it does not include untold billions in clear and certain commitments for future spending which cannot be calculated.

3. The statement documents current direct Federal obligations and it makes future commitments the subject of special treatment. The recent record is an inadequate but available basis for forecasting coming developments.

4. It is recognized that the ultimate cost of great portions of the Government's obligations is to be determined by the development of contingencies. These areas are marked and emphasized in this statement.

The fact is that the remoteness of these contingencies is to be determined by the stability of the Nation's economic condition and the soundness of the Government's financial position.

Under conditions of Federal paternalism, intervention and control which have been

allowed to develop in this country, the Government's existing direct obligations and its future commitments are vital elements in the Nation's stability.

The recent record shows:

1. The 9 years since the end of the Korean war have been relatively prosperous; but there have been six Federal deficits in those 9 years, and the net deficit over the period has been at least \$29 billion (1963 Bud. Doc., p. 42); and

2. Federal spending in 1963 will be \$25 billion higher than it was 9 years ago; the Federal debt has reached its highest point in history; and the value of the dollar has continued to drop.<sup>14</sup>

The overriding in any responsible consideration of this subject is the fundamental fact that the Government's power to tax is the basis for every obligation it assumes and every commitment it makes.

Latest Bureau of the Census reports, published by the Commerce Department, estimated the assessed value of real and tangible property in the United States at approximately \$300 billion (Statistical Abstract of the United States, p. 418).

The best and most recent estimates indicate personal income in the current calendar year will be some \$443 billion, and corporate profits for the same year will be approximately \$53 billion.<sup>15</sup>

But the Federal lien on our wealth is not alone. Other vast obligations against the resources of this Nation lie in State, local, corporate, and private areas.

Direct debt in these sectors by no means constitutes all of the commitments involved, and there are certain elements of duplication in the debt and commitments at each level.

But for appropriate consideration at this point, an official statement of current and direct Federal, State, local, corporate, and private debt by the U.S. Treasury Department (Secretary of Treasury letter, dated Feb. 28, 1962) follows:

#### Current direct debt only in the United States, Dec. 31, 1961

	Billion
Federal.....	\$296.5
State and local.....	75.0
Private.....	307.0
Corporate.....	380.0
Total.....	1,058.5

The figures and considerations presented in this statement cannot be omitted in any measurement of the magnitude and the gravity of the obligations and commitments of the U.S. Government.

I shall deal further with financial conditions of the Government in subsequent statements.

The PRESIDING OFFICER. (Mr. METCALF in the chair). Is there further morning business? If not, morning business is closed.

#### AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961

Mr. SPARKMAN. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection, the Chair now lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2996) to amend further

the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be treated as original text.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 18, after the word "and", strike out "\$335,000,000" and insert "\$300,000,000"; on page 6, after line 9, strike out:

"SEC. 252. AUTHORIZATION.—There is hereby authorized to be appropriated from time to time to the President for the purposes of this title not to exceed a total of \$3,000,000,000 for use, in addition to other funds available for such purposes, beginning in any of the fiscal years 1963 through 1966, which is authorized to remain available until expended, of which not to exceed \$600,000,000 may be appropriated for use beginning in fiscal year 1963: *Provided*, That of the funds appropriated pursuant to this section for use beginning in fiscal year 1963, not to exceed \$100,000,000 may be used for assistance on terms other than loans payable as to principal and interest in United States dollars."

And, in lieu thereof, to insert:

"SEC. 252. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, not to exceed \$600,000,000 for use beginning in the fiscal year 1963 and not to exceed \$800,000,000 for use beginning in each of the fiscal years 1964 through 1966, which sums are authorized to remain available until expended and which, except for not to exceed \$100,000,000 of the funds appropriated pursuant to this section for use beginning in the fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars."

On page 7, after line 7, strike out:

"SEC. 253. FISCAL PROVISIONS.—All receipts in United States dollars from loans made under this title and from loans made for the benefit of countries and areas of Latin America under title I of chapter 2 of part I of this Act, notwithstanding section 203, shall be available for use for loans payable as to principal and interest in United States dollars in furtherance of the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended."

On page 8, line 5, after the word "and", strike out "\$481,500,000" and insert "\$400,000,000"; in line 10, after the word "amended", strike out "as follows"; at the beginning of line 11, strike out "(a) Amend subsection (a)"; at the beginning of line 12, strike out "\$300,000,000" and"; in the same line, after "1963", strike out "and" "\$400,000,000", respectively; after line 13, strike out:

"(b) Amend subsection (b) by striking out 'keep' and substituting 'provide quarterly reports to' and by striking out 'currently informed of' and substituting 'on'."

On page 9, after line 14, insert a new subsection, as follows:

"(b) In section 610, which relates to transfers between accounts, designate the present language as subsection (a) and add the following new subsection:

"(b) The authority contained in this section and in sections 451, 510, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g)(1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses."

On page 10, at the beginning of line 1, strike out "(b)" and insert "(c)"; at the

<sup>14</sup> 1963 Federal Budget Document, p. 42.

<sup>15</sup> Legislative Reference Service (Library of Congress) compilations, through May 2, 1962.

<sup>16</sup> Revised estimates by Staff, Joint Committee on Internal Revenue Taxation, Senate Finance Committee Hearings, Revenue Act of 1962, Apr. 2, 1962, vol. I, p. 378.

beginning of line 4, strike out "(c)" and insert "(d)"; after line 14, insert:

"(e) In section 620, which relates to restrictions on assistance to certain countries, add the following new subsections:

"(e) In any case in which the President determines that a nation or a political subdivision thereof has hereafter (1) nationalized, expropriated, or otherwise seized the ownership or control of the property of United States citizens or entities referred to in section 221(b), or (2) imposed upon or enforced against such property or the owners thereof discriminatory taxes or other exactions, or restrictive maintenance or operational conditions not imposed or enforced with respect to property of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States, and has failed within six months following the taking of action in either of such categories to take steps determined by the President to be appropriate and adequate to remedy such situation and to discharge its obligations under international law toward such citizens and entities, including the prompt payment in convertible foreign exchange to the owner or owners of such property so nationalized, expropriated, or otherwise seized, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which a final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President shall suspend assistance under this Act to such nation until he is satisfied that appropriate steps are being taken.

"(f) Assistance to India under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, during the fiscal year 1963 shall not exceed the value of funds obligated or committed for such assistance during the fiscal year 1962."

On page 12, line 19, after the word "and", strike out "fifty" and insert "twenty-five"; on page 13, line 2, after the word "exceed", strike out "two years" and insert "one year"; after line 3, strike out:

"(d) In section 634(d), which relates to reports and information, strike out 'twelve months' in the first sentence and substitute 'fiscal year'."

And, in lieu thereof, insert:

"(d) In section 629(b), which relates to status of personnel detailed, strike out '624(e)' in the first sentence and substitute '624(d)'."

On page 14, after line 9, strike out:

"Sec. 402. Section 5(f) of the International Health Research Act of 1960 (22 U.S.C. 2103(f)) is amended by adding a new final sentence as follows: 'The President may delegate any authority vested in him by this section to such other officer or head of agency of the United States Government as he deems appropriate.'"

At the beginning of line 16, change the section number from "403" to "402"; on page 15, after line 4, insert a new section, as follows:

"Sec. 403. Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256, approved September 21, 1961) is hereby amended by inserting the word 'abroad' after the word 'expositions'."

And, after line 8, insert a new title, as follows:

#### "PART V—MIGRATION AND REFUGEE ASSISTANCE PROGRAMS"

"Sec. 501. This part may be cited as the 'Migration and Refugee Assistance Act of 1962'."

"Sec. 502. (a) The President is hereby authorized to continue membership for the

United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there are hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee for the effectuation of its purposes, and all necessary salaries and expenses incident to United States participation in the Committee.

"(b) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

"(1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices;

"(2) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the defense, or to the security, or to the foreign policy interests of the United States;

"(3) for assistance to or in behalf of refugees in the United States whenever the President shall determine that such assistance would be in the interest of the United States: *Provided*, That the term 'refugees' as herein used means aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from a country of the Western Hemisphere; (B) cannot return thereto because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life;

"(4) for assistance to State or local public agencies providing services for substantial numbers of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) for (A) health services and educational services to such individuals, and (B) special training for employment and services related thereto;

"(5) for transportation to, and resettlement in, other areas of the United States of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) and who, having regard for their income and other resources, need assistance in obtaining such services; and

"(6) for establishment and maintenance of projects for employment or refresher professional training of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) and who, having regard for their income and resources, need such employment or need assistance in obtaining such retraining.

"(c) Whenever the President determines it to be important to the national interest, not exceeding \$10,000,000 in any fiscal year of the funds made available for use under the Foreign Assistance Act of 1961, as amended, may be transferred to, and consolidated with, funds made available for this part in order to meet unexpected urgent refugee and migration needs.

"(d) The President shall keep the appropriate committees of Congress informed of the use of funds and the exercise of functions authorized in this part.

"(e) Unexpended balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and of the Foreign Assistance Act of 1961, as amended, and allocated or transferred for the purposes of sections 405(a), 405(c), 405(d), and 451(c) of the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the purposes of this

section and may be consolidated with appropriations authorized by this section. Funds appropriated for the purposes of this section shall remain available until expended.

"Sec. 503. (a) In carrying out the purposes of this part, the President is authorized—

"(1) to make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, Government or Government agency, whether within or without the United States, and international and intergovernmental organizations; and

"(2) to accept and use money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purposes.

"(b) Whenever the President determines it to be in furtherance of the purposes of this part, the functions authorized under this part may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7), as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

"Sec. 504. (a) The President is authorized to designate the head of any department or agency of the United States Government, or any official thereof who is required to be appointed by the President by and with the advice and consent of the Senate, to perform any functions conferred upon the President by this part. If the President shall so specify, any individual so designated under this subsection is authorized to redelegate to any of his subordinates any functions authorized to be performed by him under this subsection, except the function of exercising the waiver authority specified in section 503(b) of this part.

"(b) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this part. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this part or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

"Sec. 505. (a) Funds available for the purposes of this part shall be available for—

"(1) compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this part, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of funds of the United States Government as may be necessary to accomplish the purposes of this part;

"(2) employment or assignment of Foreign Service Reserve officers for the duration of operations under this part;

"(3) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchange;

"(4) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

"(5) expenses authorized by the Act of August 1, 1956 (70 Stat. 890-892), as amended; and



"(6) all other expenses determined by the President to be necessary to carry out the purposes of this part.

"(b) Except as may be expressly provided to the contrary in this part, all determinations, authorization, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this part shall continue in full force and effect until modified, revoked, or superseded under the authority of this part.

"Sec. 506. Subsections (a), (c), and (d) of section 405 of the Mutual Security Act of 1954, as amended, subsection (c) of section 451 of the said Act, and the last sentence of section 2(a) of the Act of July 14, 1960 (74 Stat. 504), are hereby repealed.

"Sec. 507. Until the enactment of legislation appropriating funds for activities under this part, such activities may be conducted with funds made available under section 451 (a) of the Foreign Assistance Act of 1961, as amended."

So as to make the bill read:

*"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Foreign Assistance Act of 1962.'"*

#### "PART I—ACT FOR INTERNATIONAL DEVELOPMENT OF 1961

##### "Chapter 1—Short title and policy

"Sec. 101. Section 102 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting the following sentence at the end of the sixth paragraph: 'It is further the sense of Congress that support for the peaceful uses of atomic energy should be continued, in furtherance of the purposes of this part.'

##### "Chapter 2—Development and assistance

##### "Title II—Development Grants and Technical Cooperation

"Sec. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is amended as follows:

"(a) In section 211(a), which relates to general authority, strike out 'In so doing' in the second sentence and substitute 'In furnishing assistance to countries and areas under this title'.

"(b) In section 212, which relates to authorization, strike out '1962' and '\$380,000,000' and substitute '1963' and '\$300,000,000', respectively.

"(c) Strike out section 213, which relates to atoms for peace.

##### "Title III—Investment Guaranties

"Sec. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to investment guaranties, is amended as follows:

"(a) Amend section 221(b) which relates to general authority, as follows:

"(1) In paragraph (1) strike out '\$1,000,000,000' in the proviso and substitute '\$1,300,000,000'.

"(2) In paragraph (2) strike out '\$90,000,000' in the third proviso and substitute '\$180,000,000'.

"(b) Amend section 222, which relates to general provisions, as follows:

"(1) In subsection (d) insert 'and out of funds made available pursuant to this title' before the period.

"(2) Add the following new subsection (f):

"(f) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1963 to carry out the purposes of this title not to exceed \$100,000,000, which shall remain available until expended."

"(c) Amend section 224, which relates to housing projects in Latin American countries, as follows:

"(1) In subsection (b) strike out '\$10,000,000' in the second sentence and substitute '\$60,000,000'.

"(2) In subsection (c) strike out 'and (e)' and substitute '(e), and (f)'.

##### "Title IV—Surveys of Investment Opportunities

"Sec. 104. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out '1962' and substituting '1963'.

##### "Alliance for Progress

"Sec. 105. Chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development assistance, is amended by adding at the end a new title VI, as follows:

##### "Title VI—Alliance for Progress

"Sec. 251. GENERAL AUTHORITY.—(a) It is the sense of the Congress that the historic, economic, political, and geographic relationships among the American peoples and Republics are unique and of special significance and that the Alliance for Progress offers great hope for the advancement of the welfare of the peoples of the Americas and the strengthening of the relationships among them. Accordingly, the President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

"(b) Assistance furnished under this title shall be directed toward the development of human as well as economic resources. In furnishing assistance to countries and areas under this title, the President shall take into account (1) the principles of the Act of Bogotá and the Charter of Punta del Este, and in particular the extent to which the recipient country or area is showing a responsiveness to the vital economic, political, and social concerns of its people and demonstrating a clear determination to take effective self-help measures; (2) the economic and technical soundness of the activity to be financed; (3) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives; and (4) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved. In making loans under this title from funds which are required to be used for loans payable as to principal and interest in United States dollars, the President shall take into account, in addition to the considerations named in the preceding sentence, whether financing could be obtained in whole or in part from other free world sources on reasonable terms. The provisions of sections 201(d), 202(b), 202(c), and 204 shall be applicable to such loans, and they shall be made only upon a finding of reasonable prospects of repayment.

"(c) The authority of section 614(a) may not be used to waive the requirements of this title with respect to funds made available for this title which are required to be used for loans payable as to principal and interest in United States dollars, and the authority of section 610 may be used to transfer such funds only to funds made available for title I of chapter 2 of part I.

"(d) In order to carry out the policies of this Act and the purpose of this title, the President shall, when requested by a friendly country and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to insuring a wider and more equitable distribution of the ownership of land.

"Sec. 252. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such

purposes, not to exceed \$600,000,000 for use beginning in the fiscal year 1963 and not to exceed \$800,000,000 for use beginning in each of the fiscal years 1964 through 1966, which sums are authorized to remain available until expended and which, except for not to exceed \$100,000,000 of the funds appropriated pursuant to this section for use beginning in the fiscal year 1963, shall be available only for loans payable as to principal and interest in United States dollars."

##### "Chapter 3—International organizations and programs

"Sec. 106. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended by striking out '1962' and '\$153,500,000' and substituting '1963' and '\$148,900,000', respectively.

##### "Chapter 4—Supporting assistance

"Sec. 107. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out '1962' and '\$465,000,000' and substituting '1963' and '\$400,000,000', respectively.

##### "Chapter 5—Contingency fund

"Sec. 108. Section 451 of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by striking out '1962' and substituting '1963'.

#### "PART II—INTERNATIONAL PEACE AND SECURITY ACT OF 1961

##### "Chapter 2—Military assistance

"Sec. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

"(a) In section 507(a), which relates to sales, insert 'not less than' before 'the value' in the first sentence.

"(b) In section 510(a), which relates to special authority, strike out '1962' in the first and second sentences and substitute '1963'.

"(c) In section 511(b), which relates to restrictions on military aid to Latin America, strike out 'military assistance programs' and insert 'grant programs of defense articles'.

#### "PART III

##### "Chapter 1—General provisions

"Sec. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

"(a) In section 606, which relates to patents and technical information, strike out subsection (c).

"(b) In section 610, which relates to transfers between accounts, designate the present language as subsection (a) and add the following new subsection:

"(b) The authority contained in this section and in sections 451, 510, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g) (1) and 637 or used otherwise to finance activities which normally would be financed from appropriations for administrative expenses."

"(c) In section 611(a), which relates to completion of plans and cost estimates, strike out 'and II' and substitute 'II, and VI'.

"(d) Strike out section 618, which relates to economic assistance to Latin America, and substitute a new section 618 as follows:

"Sec. 618. USE OF SETTLEMENT RECEIPTS.—United States dollars directly paid to the United States under the Agreement Between the United States of America and Japan Regarding the Settlement of Postwar Economic Assistance to Japan may be appropriated or otherwise made available to the President in any appropriation Act, within the limitations of part I of this Act, to carry out the provisions of that part."

"(e) In section 620, which relates to restrictions on assistance to certain countries, add the following new subsections:

"(e) In any case in which the President determines that a nation or a political subdivision thereof has hereafter (1) nationalized, expropriated, or otherwise seized the ownership or control of the property of United States citizens or entities referred to in section 221(b), or (2) imposed upon or enforced against such property or the owners thereof discriminatory taxes or other exactions, or restrictive maintenance or operational conditions not imposed or enforced with respect to property of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States, and has failed within six months following the taking of action in either of such categories to take steps determined by the President to be appropriate and adequate to remedy such situation and to discharge its obligations under international law toward such citizens and entities, including the prompt payment in convertible foreign exchange to the owner or owners of such property so nationalized, expropriated, or otherwise seized, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which a final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President shall suspend assistance under this Act to such nation until he is satisfied that appropriate steps are being taken.

"(f) Assistance to India under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, during the fiscal year 1963 shall not exceed the value of funds obligated or committed for such assistance during the fiscal year 1962."

#### "Chapter 2—Administrative provisions"

"SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

"(a) In section 621, which relates to exercise of functions, delete '(a)' and strike out subsections (b), (c), (d), and (e).

"(b) Amend section 624, which relates to statutory officers, by striking out subsection (d) and redesignating subsection (e) as subsection '(d)', inserting in paragraph 2(A) of redesignated subsection (d) ', and programs being conducted by United States Government agencies under Public Law 86-735, after 'Peace Corps', and inserting in paragraphs (5) and (7) of redesignated subsection (d) ', and Public Law 86-735' after 'part II of this Act'.

"(c) Amend section 625, which relates to employment of personnel, as follows:

"(1) In subsection (b) strike out 'seventy-six' in the first sentence and substitute 'one hundred and twenty-five'.

"(2) In subsection (d) add the following proviso before the period at the end of paragraph (2): 'Provided further, That, whenever the President determines it to be important for the purposes of this Act, the President may initially assign personnel under this paragraph for duty within the United States for a period not to exceed one year pending assignment outside the United States.'

"(d) In section 629(b), which relates to status of personnel detailed, strike out '624 (e)' in the first sentence and substitute '624(d)'.

"(e) In section 635(h), which relates to general authorities, strike out 'and V' and substitute 'V, and VI' and strike out 'made'.

"(f) Amend section 637, which relates to administrative expenses, as follows:

"(1) In subsection (a) strike out '1962' and '\$50,000,000' and substitute '1963' and '\$55,000,000', respectively.

"(2) In subsection (b) strike out 'to the Secretary of State'.

#### "Chapter 3—Miscellaneous provisions"

"SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended as follows:

"(a) Section 643, which relates to saving provisions, is amended by striking out subsection (d).

"(b) Section 644(m), which relates to definitions, is amended by striking out 'as grant assistance' in subparagraphs (2) and (3).

"(c) Section 645, which relates to unexpended balances, is amended by inserting 'this Act or' after 'pursuant to'.

#### "PART IV—AMENDMENTS TO OTHER LAWS"

"SEC. 401. Part IV of the Foreign Assistance Act of 1961, as amended, is repealed, which repeal shall not be deemed to affect amendments contained in such part.

"SEC. 402. Section 2 of the Act of August 1, 1956 (70 Stat. 890), as amended, is further amended by adding the following new paragraph:

"(b) For the purpose of promoting and maintaining friendly relations with foreign countries through the prompt settlement of certain claims, settle and pay any meritorious claim against the United States which is presented by a government of a foreign country for damage to or loss of real or personal property of, or personal injury to or death of, any national of such foreign country: *Provided*, That such claim is not cognizable under any other statute or international agreement of the United States and can be settled for not more than \$15,000 or the foreign currency equivalent thereof."

"SEC. 403. Section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256, approved September 21, 1961) is hereby amended by inserting the word 'abroad' after the word 'expositions'.

#### "PART V—MIGRATION AND REFUGEE ASSISTANCE PROGRAMS"

"SEC. 501. This part may be cited as the 'Migration and Refugee Assistance Act of 1962'.

"SEC. 502. (a) The President is hereby authorized to continue membership for the United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there are hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee for the effectuation of its purposes, and all necessary salaries and expenses incident to United States participation in the Committee.

"(b) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

"(1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices;

"(2) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the defense, or

to the security, or to the foreign policy interests of the United States;

"(3) for assistance to or in behalf of refugees in the United States whenever the President shall determine that such assistance would be in the interest of the United States: *Provided*, That the term 'refugees' as herein used means aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from a country of the Western Hemisphere; (B) cannot return thereto because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life;

"(4) for assistance to State or local public agencies providing services for substantial numbers of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) for (A) health services and educational services to such individuals, and (B) special training for employment and services related thereto;

"(5) for transportation to, and resettlement, in other areas of the United States of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) and who, having regard for their income and other resources, need assistance in obtaining such services; and

"(6) for establishment and maintenance of projects for employment or refresher professional training of individuals who meet the requirements of paragraph (3) (other than clause (C) thereof) and who, having regard for their income and resources, need such employment or need assistance in obtaining such retraining.

"(c) Whenever the President determines it to be important to the national interest, not exceeding \$10,000,000 in any fiscal year of the funds made available for use under the Foreign Assistance Act of 1961, as amended, may be transferred to, and consolidated with, funds made available for this part in order to meet unexpected urgent refugee and migration needs.

"(d) The President shall keep the appropriate committees of Congress informed of the use of funds and the exercise of functions authorized in this part.

"(e) Unexpended balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and of the Foreign Assistance Act of 1961, as amended, and allocated or transferred for the purposes of sections 405(a), 405(c), 405(d), and 451(c) of the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the purposes of this section and may be consolidated with appropriations authorized by this section. Funds appropriated for the purposes of this section shall remain available until expended.

"SEC. 503. (a) In carrying out the purposes of this part, the President is authorized—

"(1) to make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, Government or Government agency, whether within or without the United States, and international and intergovernmental organizations; and

"(2) to accept and use money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purposes.

"(b) Whenever the President determines it to be in furtherance of the purposes of this part, the functions authorized under this part may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7), as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of the funds of the United States Government as the President may specify.



"Sec. 504. (a) The President is authorized to designate the head of any department or agency of the United States Government, or any official thereof who is required to be appointed by the President by and with the advice and consent of the Senate, to perform any functions conferred upon the President by this part. If the President shall so specify, any individual so designated under this subsection is authorized to redelegate to any of his subordinates any functions authorized to be performed by him under this subsection, except the function of exercising the waiver authority specified in section 503(b) of this part.

"(b) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this part. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this part or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

"Sec. 505. (a) Funds available for the purposes of this part shall be available for—

"(1) compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this part, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of funds of the United States Government as may be necessary to accomplish the purposes of this part;

"(2) employment or assignment of Foreign Service Reserve officers for the duration of operations under this part;

"(3) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchange;

"(4) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

"(5) expenses authorized by the Act of August 1, 1956 (70 Stat. 890-892), as amended; and

"(6) all other expenses determined by the President to be necessary to carry out the purposes of this part.

"(b) Except as may be expressly provided to the contrary in this part, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this part shall continue in full force and effect until modified, revoked, or superseded under the authority of this part.

"Sec. 506. Subsections (a), (c), and (d) of section 405 of the Mutual Security Act of 1954, as amended, subsection (c) of section 451 of the said Act, and the last sentence of section 2(a) of the Act of July 14, 1960 (74 Stat. 504), are hereby repealed.

"Sec. 507. Until the enactment of legislation appropriating funds for activities under this part, such activities may be conducted with funds made available under section 451 (a) of the Foreign Assistance Act of 1961, as amended."

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment.

Mr. SPARKMAN. Mr. President, the foreign aid program represents one of the many instruments of national policy by which the United States seeks to meet its worldwide responsibilities. Together, the various instruments of national policy carried on at every level—political, military, economic, and educational—enable our country to maintain its security and to advance its vital interests. It is in this context that the Committee on Foreign Relations has favorably reported the Foreign Assistance Act of 1962 to the Senate.

Foreign aid, although still controversial, has over the years gained broad acceptance as a continuing and important element of our foreign policy. From the outset of the European recovery program, foreign aid has been vigorously supported by every President, every Secretary of State, every Secretary of Defense, every Chairman of the Joint Chiefs of Staff, and every Congress. Foreign aid is also supported by the majority of our major newspapers, most of which have looked into aid programs on the ground. Most of the well-informed private citizens groups have strongly supported foreign aid, and these, too, have studied the program on a continuing basis.

Outside Washington, D.C., however, there is wide opinion that the aid program is an end in itself, independent of the objectives of our foreign policy; that, in essence, it represents the fulfillment of a moral obligation which the richest society has to the many poor societies. Other Americans regard foreign aid as a global boondoggle, a massive exercise in waste that serves the interests of neither the United States nor the recipient countries. Unfortunately, our annual discussion of foreign aid, both in Congress and the press, has contributed far less than it should to the public's understanding. It is conducted too much in terms of aid levels and too little in terms of the overall political purposes that underlie the foreign aid program.

Our basic political objectives are subject to little variations. Stated simply, the United States has focused its efforts on the goal of building a sane international order based on a community of independent societies. A number of purposes underlie this central objective, but the most urgent and compelling of these is the need to resist the pressure of Communist imperialism at whatever level it is applied—military, political, or economic. Closely related is the need to assist the poorer societies in their historic effort to fulfill legitimate aspirations and to develop durable and productive institutions. Both of these related purposes are served by the foreign aid program.

It is worth noting that foreign aid, far from being a latter-day invention of American policymakers, is an instrument of foreign policy at least as old as the nation-state system. However, the

first program of massive foreign assistance for purposes of bolstering the economies of whole nations was undertaken by Great Britain in the years following the end of the Napoleonic wars in 1815. In a program comparable for its time to the scope and design of the Marshall plan, Britain extended large loans to Prussia, whose economy had been ravaged by the French invasions. Private British financial interests assisted in the recovery of France, the defeated enemy, by providing large loans with which to meet the enormous claims that were made against France for reparations. Britain's aid program, coupled with a generous territorial and political settlement, helped to stabilize the restored Bourbon regime and hence contributed to the general stabilization of Europe. In bringing to bear all of the instruments of foreign policy—first military, then political and economic—Britain restored the European equilibrium on which her own security depended and led Europe into the long era of relative peace which lasted until 1914.

The Marshall plan was the most comprehensive economic aid program ever devised by statesmen to serve an enlightened political purpose. Much of its motivation lay in the generosity and compassion of the American people, but its grand design as an act of statesmanship was to preserve the independence of America's oldest and most important allies and thereby to strengthen her own security against the new imperialism—that of the Soviet Union.

Today's foreign aid program differs in no way in its purpose from the Marshall plan. But it is greatly changed in form and content. Europe required massive infusions of capital; with their advanced human resources and revived institutions, the European societies were able to make effective use of their resources. The problems of the less-developed societies of Asia, Africa, and Latin America have a scope and complexity that neither capital nor technical aid, by itself, can materially affect.

In recent years, we have become increasingly aware that certain minimum standards of public administration, public education, and a cultural environment which encourages capital formation are essential preconditions to the effective use of capital. The framers of the Alliance for Progress clearly recognized that economic development must go hand in hand with—or, more precisely, must be preceded by—political and social change. In turn, such change requires a certain degree of external pressure. To provide aid without stipulating conditions that will advance the purpose of the aid is to court failure. In this sense, we should be frank in stating that our development aid programs carry clear and precise "strings." Indeed, these are set forth in the act itself; I would commend to my colleagues sections 201 and 211, as well as the committee report of last year and this year.

I might observe, in this connection, that the progressive democratic groups in Latin America and elsewhere in the underdeveloped world have never objected to American intervention as such

on these terms. Indeed, I believe that intervention on behalf of progress and reform is generally well received. "The moral here," as one perceptive student of Latin American affairs recently put it, "is that a great power such as the United States necessarily intervenes in the affairs of other countries, especially smaller ones, as much by what it does not do as by what it does. A policy of non-intervention, if that term is interpreted in the strictest, most literal sense, becomes plainly impossible. The question, therefore, is not one of intervention or nonintervention per se, but of the ends and means of intervention."

In any case, we are gaining a finer appreciation of the basic principles of encouraging progress and reform in changing societies. We have been made painfully aware of the preconditions to development. We know also that good development plans are of little value in the absence of a government capable of carrying them out; that the finest tax authority is useless if the government does not believe in collecting taxes; that modern machinery and other technical equipment cannot be operated by unskilled people; that even the cheapest and most effective techniques of increasing agricultural output will have little appeal when the benefits will accrue not to the cultivator of the land but to an absentee landlord.

On the other side of the coin, we also know that land reform can bring on agricultural chaos if it is not preceded by the creation of institutions capable of duplicating the services performed by the departing landlord.

We have learned that there is no general formula for economic development of all the less developed countries. To generalize from the experience of India to the problems of Peru or Tanganyika is as futile as to generalize from the experience of the United States to the needs of India. In each case, there must be a development plan appropriate to the problems and requirements of the particular country. For countries in the earliest stage—the predevelopment stage—plans should be related to the creation of administrative capabilities and education. In countries which have moved well beyond the predevelopment stage—India, Pakistan, and Brazil are examples—development assistance programs can and do directly reflect their capacities to absorb large sums of capital.

In every case, the essential string that we must attach to our development aid is the requirement that it serve the broad, longrun interest of the recipient country. Only the most rigorous adherence to priorities of need and productivity will make it possible for the changing societies to attain durable progress; to achieve anything less will mean that our foreign aid program is forfeiting its purpose as an instrument of American policy.

One of the most promising vehicles for economic growth is the autonomous, public authority. Such quasi-governmental organizations as the Tennessee Valley Authority and the New York Port Authority should serve as models for a number of developing countries, whose pro-

grams are bogged down in politics, or bureaucracy, or both. In Latin America, for example, there is an urgent need to give momentum to the Alliance for Progress by the examples of a few dramatic achievements in such critical areas as housing, land reform, and other areas of social development. The public authority approach, with its proven success in the United States and Europe, is an ideal planning and administrative device for achievement of such objectives. Its great advantage, of course, is that it can concentrate resources on a single problem, with operational control remaining in the hands of a small number of highly trained managers and technicians. As the committee report observes: "The World Bank is very well suited to the role of cultivating public authorities." Moreover, the Bank's official guide, *World Bank Policies and Operations*, states:

In respect of a number of government projects, the Bank has asked that their operation be entrusted to a quasi-autonomous authority or in some other fashion be insulated so far as possible from political pressures and rigidities of government administrative procedures. In a number of cases the Bank's help has been sought and given in the establishment and staffing of operating authorities of this sort.

I might add that the Bank generally insists upon the creation of an autonomous or semiautonomous authority as a precondition to loans involving utilities, ports, water power projects, and other development programs. Aid officials are alert to the potential of these public authorities, and are encouraging their formation. In a number of cases, the problem of providing the human resources to manage public authorities is the only obstacle to their creation. But this is not an insurmountable problem, and may be dealt with a number of ways. In addition to the World Bank, the Development Assistance Committee of the OECD—Organization for Economic Cooperation and Development—should be able to assist in the creation of public authorities. The private foundations in the United States may also have a role.

The committee's judgment is that the current foreign aid program reflects a realistic approach to U.S. interests abroad. The thrust of the program has been shifted to long-term development loans. These are subject to congressional appropriations. They are repayable only in dollars, but under very liberal terms and conditions. Such terms and conditions are essential. Several of the developing countries, especially in Latin America, already carry heavy annual debt service burdens. In many of them these obligations will drain a fifth or more of anticipated foreign exchange earnings. Development loans must therefore carry only nominal service charges and should have long repayment schedules.

Development loans are expected to comprise nearly half of our total economic assistance in the next year. In prior years, loans never amounted to more than 25 percent of this assistance. Indeed, approved transactions under the Development Loan Fund have accounted for only 4 percent of all foreign assist-

ance made available since the end of the Marshall plan program.

It should be understood that development loans are not being extended haphazardly, or to any country seeking to exploit a natural asset. Instead, development loans are normally available only to countries which have committed themselves to long-term development and other self-help measures. For this and other reasons, there is a growing concentration in the development loan program. About half of the loans obligated next year will go to four countries—India, Pakistan, Brazil, and Argentina. About 60 percent will go to six countries, the other two being Nigeria and Turkey.

In addition to the statutory criteria that shape the loan program, the Agency for International Development has imposed a number of program procedures designed to encourage reform and self-help measures. In some cases, loans have been scheduled in installments, with each installment conditioned upon a specified rate of progress by the recipient country in carrying out agreed domestic programs.

Obviously, a great many of the countries receiving foreign aid cannot yet qualify for development loans. A number of these, particularly in Africa, are in what is known as the predevelopment stage. For them, the bill authorizes \$300 million in development grants, which are used mainly to finance technical assistance programs. For the most part, these programs are designed to improve the educational, technical, managerial, and professional competence of changing societies. Development grants are used to finance the public administration training programs, for example. They may also be used to assist in the creation of comprehensive long-term plans.

The emphasis on concentration in the loan program has corresponded with a similar trend in the supporting assistance program. Supporting assistance is mainly used to help certain countries bear the brunt of their abnormally heavy military establishments. Vietnam and Korea are examples of countries located on the periphery of the Communist empire and compelled to maintain larger armies than their economies can afford.

Supporting assistance is also used to provide budgetary support for very poor countries whose survival depends to a large extent on such assistance. It is estimated that more than half of the supporting assistance extended next year will go to two countries and over 70 percent to four countries. Moreover, the program is being steadily reduced, both in terms of the number of countries participating and the levels of assistance.

The bill authorizes a contingency fund of \$300 million. This is the same as last year's authorization, but represents a cut of \$100 million beneath the administration's request. The other major aid activity is the military assistance program, for which the Congress last provided an authorization of \$1.7 billion for each of the following 2 fiscal years. The administration's appropriation request for fiscal year 1963 is \$1.5 billion, or \$200 million less than the



amount authorized. The committee believes that this program has been pared to a minimum level. And the committee was pleased to learn that the net effect on the American economy of the military assistance program is an inflow of gold. This year, \$335 million in military aid is being spent outside the United States, but the sale of military equipment under the program will return \$800 million to the United States. Also, more than \$400 million of direct business to U.S. firms will be created by a number of cost-sharing programs that are being carried on under this program.

The fact is, as the committee report observes that about 78 percent of all the funds appropriated for fiscal year 1962 will be spent directly in the United States. And the administration estimates that almost all of the economic assistance not spent directly in the United States will be spent in countries which are the beneficiaries of our aid—as distinct from European countries and Japan.

The bill authorizes appropriations of \$100 million to add to the reserve against investment guarantees. Moreover, the ceiling on the total face amount of guarantees in all categories has been raised. The committee believes that the rate of progress in a number of countries will depend to a large degree on the capital inflow from the private sector of our economy. The committee further believes that its amendment dealing with expropriation of privately owned American property will encourage a greater participation of American businessmen, small and large, in over-sea ventures.

This amendment occupied much of the committee's time and attention during the consideration of the bill. It reflects a unanimous committee judgment that such a provision is necessary. Nearly every member, Democratic and Republican, participated in the drafting of the final version of the amendment. After a good deal of initial discussion, the committee adopted one of a number of the proposed amendments dealing with the expropriation problem. One week later, after even lengthier discussion, a second and stronger provision, containing features of other proposals, was incorporated into the bill.

As I pointed out earlier, foreign aid is not a foreign policy instrument of recent invention. Nor is the United States the only nation now committed to large-scale programs of economic assistance. Both our free world allies and the Communist bloc are engaged in significant aid programs. I should like, at this point, to comment briefly on Soviet efforts in the field of foreign aid and then to consider the contributions in this field of the Western European countries and Japan.

The Sino-Soviet bloc aid program, begun in 1955, has grown considerably in size and scope over the past 7 years. By the end of 1961 Communist bloc aid to nonbloc countries had reached an estimated total of \$6.5 billion, about \$4.5 billion in economic credits and grants and about \$2 billion in military aid. Economic aid commitments alone have averaged about \$1 billion annually for

the past 3 years. Over 70 percent of the total has been supplied by the Soviet Union, 20 percent by the European satellites, and less than 10 percent by Communist China. Some 28 countries receive Communist bloc aid, but about 80 percent goes to seven countries: Afghanistan, Cuba, Egypt, Indonesia, India, Iraq, and Syria.

Communist aid programs are by no means the models of efficiency and dispatch that some of the critics of our aid programs believe them to be. Out of the \$4.5 billion in economic aid commitments to date, only about \$1 billion, or less than 25 percent, has actually been expended. It is clear that the Russians have run into the same difficulties of performance that we have encountered: transportation problems, material shortages, lack of technical skills in recipient countries, shortages of local currencies, and other impediments.

The political aims of Soviet aid programs are not always successfully advanced by Soviet technicians. According to information provided by the Agency for International Development, there are probably more bloc aid technicians in the 28 countries which receive Communist assistance than there are American technicians in the over 80 countries to which we provide assistance. There have been a number of instances in which Soviet personnel get into difficulties with the local population. Soviet technicians in underdeveloped countries keep pretty much to themselves, living in self-contained enclaves and maintaining their own schools. They do like to shop in the bazaars and marketplaces where they are known as hard bargainers and frugal tipplers. Unlike Soviet diplomats, Russian technicians are rarely trained in the languages and cultures of the countries to which they are assigned.

It would be a serious mistake to infer that Communist aid programs are a general failure. In fact, Soviet aid has been welcomed by recipient countries and it has made an impact which we would ignore at our peril. At the same time the Russians have encountered difficulties and failures, similar to and in some cases perhaps greater than those which we have suffered.

Although our allies are not yet carrying a proportionately comparable share of the aid burden, significant progress has been made toward a greater and more concerted free world aid effort. In particular, the Development Assistance Committee—DAC—of the OECD has begun to assume certain responsibilities for aid coordination.

Furthermore, the aid programs of the European countries and Japan, although still less than adequate, have been improving markedly both in quantity and quality. Gross official aid disbursements of the other DAC countries and Japan—for grants, loans of greater than 5 years, and contributions to international organizations—rose 90 percent between 1956 and 1960—from \$1 billion to \$1.9 billion. As a percentage of gross national product, aid disbursements by the other DAC countries and Japan rose from 0.36 percent in 1956 to 0.53 percent in 1961. Comparable United

States disbursements increased as a percentage of GNP from 0.51 to 0.59 percent in 1960. Thus, while the United States has consistently devoted a greater share of its total product to foreign aid than have the other industrialized countries, the gap narrowed from a difference of 0.15 percentage points in 1956 to 0.06 percentage points in 1960.

Less impressive progress has been made in the liberalization of the terms of aid, but here too our allies are making progress. They seem to be moving away from a stress on short-term loans at commercial rates of interest. Though less liberal than the United States, they are showing an increasing willingness to extend long-term loans at low rates of interest. The gap, however, remains wide. While repayment schedules for U.S. loans range between 30 and 40 years, Italy and Canada, for example, require repayment in 10 to 15 years while Germany and Japan have a current limit of 20 years.

Progress toward coordination of national aid programs has been made through the Development Assistance Committee. Admittedly, much remains to be done, but the DAC has been in existence for only a short time, and the signs, on balance, are optimistic.

The overriding need is for a general strategy to guide the donor countries of the OECD in their relations with each other and in their relations with the emergent societies of Asia, Africa, and Latin America. Trade policies, for example, which have too often pulled in the wrong direction, must be related to this strategy. So must the other instruments of national policy.

Soviet foreign aid, like our own, is one of many instruments of national policy. Yet while Soviet aid is sometimes similar to our own in content, there is a radical difference in the purposes of the two programs. Soviet aid is designed to advance a new imperialism. There is thus a basic conflict between Soviet aims and those of the recipient countries, most of which are motivated above all by the desire to build strong, independent nations. The rebuffs which the Communists have suffered in such countries as Guinea and the United Arab Republic are a reflection of the basic conflict between Communist imperialism and the nationalism of the emergent nations.

Free world assistance, on the other hand, whether it succeeds or fails in a given country, is a sound instrument of national policy, in terms of our own objectives and those of the recipient societies. The reason for this is the basic community of aims which exists between the North Atlantic democracies and the changing societies of the southern continents. We, like they, identify our future security and progress with their evolution into independent and strong nations. Having virtually liquidated their empires, the Western nations seek to bolster the new nations against Sino-Soviet imperialism. We are inviting the new nations to join of their own free will a community of free nations based on full respect for national sovereignty. In this community of political interests

lies the probability that our aid programs will achieve their ultimate objectives, while those of the Communists will ultimately fail.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

#### HEALTH CARE FOR THE AGED— REPLY TO AMERICAN MEDICAL ASSOCIATION

Mr. ANDERSON. Madam President, on May 21 last, the American Medical Association presented on national television its reply to President Kennedy's address in New York the previous day on the question of health care for the aged. Because the farm bill was before the Senate and the Members of this body were working mainly under controlled time, I did not seek to make an extended reply that week. And last week, after taking up the Public Works bill, the sessions of the Senate were quite brief.

The American Medical Association's reply to the President was such an assembly of distortions and outright misstatements that we who are supporting the administration's health care for the aged proposal, the King-Anderson bill, cannot permit the American Medical Association to go unanswered. We owe this to those people who might be inclined to accept a physician's statement as gospel.

The statements by the spokesman for the American Medical Association do not stand the test of being either factual or honest. It was just a little over a year ago that I stood in this Chamber and made a detailed response to the distortions and misstatements of the American Medical Association's national advertising campaign. I intend now to answer each of the points raised by Dr. Leonard W. Larson, president of the American Medical Association, and Dr. Edward R. Annis, chairman of the American Medical Association speakers bureau.

At the outset of his television appearance, Dr. Larson declared that the American system of medicine based upon the private doctor treating the private patient has added 10 years to the life span of every American.

American medicine can take great credit for its advances and the extension of life in America. But when Dr. Larson credits the entire extension of 10 years of life in the last 20 to American medicine, he fails to consider that a major portion of the increase in life can be credited to improvements in nutrition; to better, less crowded housing; to making available to a larger portion of the population an income which permits them to take advantage of the things America has to offer. The King-Anderson bill would, by paying some of the health bills, make the best of American medicine more available to older

people. Many of these are tied directly to the fact that social security payments have been made to the working classes of America, and they have been able to afford better nutrition and better housing for their years of retirement. The social security system itself might have done its part in extension of life.

#### LIFESPAN

Surely Dr. Larson is aware that many of the "miraculous breakthroughs" he referred to as contributing to the lengthening of the lifespan are the result of research undertaken with Federal funds. Surely he must know that the National Institutes of Health are currently spending about \$700 million a year to find new treatments and cures for such scourges as heart disease, cancer, and arthritis. The Federal Government has been concerned about the health of its citizens ever since 1798, when it established a program of medical care for merchant seamen. Its concern for the Nation's health is a rightful one which the medical profession has long accepted.

Who developed the method of producing penicillin from bread mold? Was it the American Medical Association or any of its doctors? Or was it done in the Department of Agriculture? A whole series of things have been done outside the medical profession. Any full story of the development of drugs and new remedies has to take into consideration the contributions of all elements of our society, not only the practicing doctors. I am not going to repeat the long stories of Agriculture Department contributions to medicine; but their work in viruses, and a host of other things like antibiotics, insecticides, and meat inspection, have been of tremendous benefit to American health.

Incidentally, Dr. Larson is in error as to the rate of increase in longevity in the United States. Life expectancy in the United States has increased 6.6 years over the last 20, and 10 years over the last 30.

Madam President, the lifespan around the world has generally been lengthening in recent decades. For example, life expectancy in Great Britain was almost 61 years in 1930-32. By 1959, the most recent year for which I could obtain figures, life expectancy was just under 71 years. So we have a lengthening of life expectancy of 10 years in the last 30 years in Great Britain, virtually the same as in this country. Does the American Medical Association credit that longer life span in Great Britain to socialized medicine?

In Sweden, between 1936-40 and 1957, life expectancy rose 7 years. In Chile, in the 12-year period from 1940 to 1952, the lifespan lengthened nearly 13 years.

These countries have nationalized medical programs. We do not, and I believe there is no need for such a system in this country. I state these lifespan figures, which were provided to me by the Library of Congress as the best available, merely to show that it is not just the "private doctor treating the private patient" that has added precious years, as the American Medical Association said. Improved sanitation, better diet, and new drugs have been major

factors in adding to life span, along with physicians working under a variety of medical programs.

There is no foundation to Dr. Larson's charge that by some unknown force under the bill older people "would be deprived of this system of medicine." The contrary is more nearly correct.

#### FAMILIAR CHARGE

Dr. Larson's comment that patients would become mere numbers if the King-Anderson bill becomes law is an allegation that has a familiar sound. Exactly the same sort of charge was made by the Republican National Committee in 1936, in reference to the original Social Security Act. Obviously, since the King-Anderson bill provides for complete freedom of choice of physician, under the King-Anderson bill the doctor will view his aged patient exactly as he views him now—as an individual who deserves the personal attention that the fine physicians of this country will give their patients, no matter who pays the hospital bills.

Dr. Annis implied that there is something sinister about the effort being made by the administration to secure passage of the King-Anderson bill. Those of us who believe in effective national leadership know that it is the duty of the Chief Executive to secure support for his programs. President Kennedy believes most earnestly in the need for financing health care for the aged through social security. He has a responsibility to mobilize public opinion in support of that belief just as he has done in behalf of many other programs.

#### NUMBERS GAME

Dr. Annis stated that "the Kerr-Mills medical aid to the aged program has already been accepted by 38 States." On April 19, 1961, the American Medical Association declared in an advertisement in newspapers across the country that the Kerr-Mills program "is now being put into operation in 46 States." I wonder what became of those eight States since last year? The truth is that neither figure was correct. Information given me by the Department of Health, Education, and Welfare is that as of June 1, 1962, only 24 States, plus the Virgin Islands, Guam, and Puerto Rico, have in effect the medical assistance for the aged program under the Kerr-Mills Act. Second, the States that do not have programs are primarily those with low incomes, such as Mississippi.

It may be that the AMA would prefer that the public not learn the facts about the Kerr-Mills program. The truth is that, in March, only about 88,000 aged persons were being helped by the medical assistance for the aged program, with 90 percent of the Kerr-Mills Act funds going to four of the wealthiest States—New York, California, Massachusetts, and Michigan—and with more than 50 percent to New York alone.

The Kerr-Mills Act provisions have been an advantage primarily to the high-income States. For example, in New York, total monthly payments—both for cash assistance and medical vendor payments—under old-age assistance and medical assistance for the aged com-



bined were over \$5 million higher in January 1962, than they were in September 1960, the last month before the Kerr-Mills Act provisions went into effect. State and local funds spent for these programs increased by \$1 million, while the Federal share had increased by \$4 million. When the same two months are compared, September 1960, and January 1962, Massachusetts actually reduced its own total expenditures by over \$1,336,000, while picking up an additional \$1,459,000 in Federal funds. This placing of the load on the Federal Government by the high-income States is possible since medical assistance for the aged offers increased opportunities to these States to obtain Federal matching for medical care of the indigent aged. In New York, during the 16 months, October 1960 to January 1962, 37 percent of the 64,439 cases opened under the Kerr-Mills Act medical assistance for the aged program were transfers from old-age assistance. In Massachusetts, in that period, 60 percent of the 31,768 cases opened were transfers from old-age assistance. These transfers between assistance programs were made to get more Federal funds toward the cost of the case. What we have now is a case of the poor States supporting the rich States; and believe me, this will not go on forever. Under the Kerr-Mills Act programs, doctors' bills are paid with Federal and State general revenue tax dollars, and the amounts paid are generally controlled by the State. Why the physicians favor this approach, as against the self-financed contributory King-Anderson bill, which does not pay doctors' fees and does not affect them, is a mystery to me.

#### KERR-MILLS ACT CONFUSION

Almost since the inception of the Kerr-Mills Act, there has been confusion—some of it accidental, much of it purposeful—over the number of States that have actually implemented the legislation.

Much of the confusion stems from failure to distinguish between the two facets of the Kerr-Mills Act: First, the new Federal-State program of medical assistance for the aged—MAA—and second, increased Federal support of medical care for recipients of old-age assistance—OAA—under the basic vendor payment provisions first enacted in 1950.

The primary purpose and feature of the Kerr-Mills Act was the opportunity offered by the Federal Government for the States to secure substantial grants applicable toward meeting the medical expenses of older citizens who previously had been ineligible for such assistance—the medically indigent aged. The extent to which this purpose has been achieved is the real measure of the efficacy of the Kerr-Mills Act. As of this date, only 24 States had medical assistance for the aged programs in operation. No manipulation of numbers can alter that fact.

Here is how the "numbers game" is played by the AMA in its tiresome efforts to persuade the American people that all is well:

After Dr. Annis' statement that the Kerr-Mills law has already been accept-

ed by 38 States, an AMA representative indicated that this total was apparently based upon a January computation which included 27 States under MAA and 11 States under old-age assistance.

The listing of 27 States that were noted as having accepted MAA includes Georgia, Iowa, and Vermont. There are no funds available for Georgia's medical assistance for the aged program and Iowa has no appropriation for its plan. Vermont hopes to have its program in operation by July 1—but its senior citizens are not being aided now.

Despite marked distinctions in type, scope, and content of programs, the AMA persists in offering undifferentiated data.

#### FALSE CHARGE

Dr. Annis said:

It (Kerr-Mills) works wherever responsible public leaders want it to work. This new law could be doing its job in a lot more States by now, I assure you, if somebody hadn't changed the signals in Washington because they had something else in mind.

I brand that as completely false and brazenly misleading. The charge, in plain words, is that this administration is trying to undercut the medical assistance for the aged program. That I deny emphatically.

Since medical assistance for the aged under Kerr-Mills was enacted, both Republican and Democratic administrations have been in office. Under both administrations, the Department of Health, Education, and Welfare has taken every step possible to encourage MAA programs. Even before the President's approval of the 1960 amendments, the Department issued information to the States and the Secretary wrote all State Governors recommending that the States act to implement the new law. Three days after the President signed the bill, the Department sent all State agencies administering approved public assistance plans a letter telling how to formulate MAA plans, and information on the policy and administrative questions involved. Since then the Department has done whatever it possibly can to help the States set up programs. That is the truth. If Dr. Annis has facts to disprove my assertion, let him produce them or withdraw his charge.

Just what is the message that the Federal Government could take to all the aged of the Nation? To describe every part, parcel, and service of the MAA program that is theoretically possible under the Kerr-Mills could not but mislead virtually all of our senior citizens—even in those few States with relatively comprehensive programs. And, any attempt at description of a theoretical Kerr-Mills program could be construed as nothing but a "cruel hoax" played upon the 7 million senior citizens in the 26 States which do not have MAA programs functioning.

Those who are potentially eligible for MAA benefits can only be informed in terms of a specific program in a specific State. And even in those States that have MAA programs, the complexity of eligibility requirements and involved limitations on benefits make it virtually

impossible for an individual to understand his rights.

#### MEANS TEST COSTLY

With specific reference to how well MAA works—or can work—the following should be noted:

In those States that have MAA programs, the costs of administration often sap substantial sums that should be going to pay for the costs of care. For example, during the calendar year 1961 the cost of administering the MAA program in Kentucky was 124 percent of the amount paid for medical expenses. In Arkansas, the comparable figure was 64 percent. The means test costs about \$40 per person each time applied, and some persons must be tested several times.

The above figures should not be construed as indicating inefficiency on the part of the administrative agencies handling the programs. Both States have extremely limited programs and in such cases the cost of determining just who is eligible for the limited benefits available—for example, 6 days of hospital care in Kentucky—are very substantial.

The real and basic problem is that the States with low per capita incomes simply do not have the fiscal resources or bases to finance adequate MAA programs for their citizens. The costs of administering a comprehensive program with liberal eligibility requirements are relatively low. There are few such programs found among the States.

Striking evidence of the unevenness of distribution of MAA expenditures comes from a recent report issued by the State of New York, which stated:

Fifty-four percent of the total MAA funds spent throughout the Nation in a 10-month period have been expended for services in New York State.

But only 10 percent of the Nation's aged reside in New York State.

#### MICHIGAN INTERVIEW

To show how successful the Kerr-Mills legislation has been, the AMA presented an interview with a woman from Michigan who told how she has been helped by Kerr-Mills medical assistance to the aged.

Michigan is one of the very few—there are not over six—States with programs providing anything like reasonable benefits.

Dr. Annis' own State, Florida, has not enacted medical assistance for the aged and has a weak medical aid program for those on old-age assistance. It has the most strict residence requirement permitted by Federal law, 5 years out of the last 9. So Dr. Annis had to go to Michigan, not his home State of Florida, to find an aged person who was helped by MAA.

Why is not Kerr-Mills more successful? The plain truth is that if public assistance programs were really to meet the health needs of the aged who cannot pay their medical expenses, expenditures for health care would have to be increased to \$1.5 billion a year. The States share of this would be about three times as much as they are now spending on medical care for aged people under both the old-age assistance and

medical assistance for the aged programs. State and local taxes in many parts of the country seem to have already approached the outer limits of practicability, and painful searches for new tax sources have met with frustration.

#### NO INTERFERENCE

Dr. Annis held up a copy of the bill and said he would make an X-ray examination of it. He read the title of the bill—the "Health Insurance Benefits Act." That was the extent of his X-ray—a rather hasty and very limited examination. Surely a trained physician bases a diagnosis and prognosis on more careful study.

Dr. Annis failed to read to his audience section 2(b), for example, which states:

The purposes of this Act are to provide aged individuals entitled to benefits under the old-age, survivors, and disability insurance system with basic protection against the costs of inpatient hospital services and skilled nursing home services, and to provide, in addition, as an alternative to inpatient care, protection against the costs of home health services and outpatient hospital diagnostic services; to utilize social insurance for financing the protection so provided; to assure adequate and prompt payment on behalf of these individuals to the providers of these services; and to do these things in a manner consistent with the dignity and self-respect of each individual, without interfering in any way with the free choice of physicians or other health personnel or facilities by the individual, without the exercise of any Federal supervision or control over the practice of medicine by any doctor or over the manner in which medical services are provided by any hospital.

He failed to read section 1601, which declares:

Nothing in this title shall be construed to authorize any Federal officer or employee to exercise any supervision or control over the practice of medicine or the manner in which medical services are provided, or over the selection, tenure, or compensation of any officer or employee of any hospital, skilled nursing facility, or home health agency; or, except as otherwise specifically provided, to exercise any supervision or control over the administration or operation of any such hospital, facility, or agency.

And he failed to read section 1602, which states:

Any individual entitled to have payment made under this title for services furnished him may obtain inpatient hospital services, skilled nursing home services, home health services, or outpatient hospital diagnostic services from any provider of services with which an agreement is in effect under this title and which undertakes to provide him such services.

#### FEW RICH AIDED

Dr. Annis said the rich would be covered by the King-Anderson bill. True. In a democracy we do not set up separate programs for the rich and the poor. But the rich would not gain much under the proposed program. In the top income tax bracket, for couples where either husband or wife is 65 or over, up to 91 percent of medical expense might be taken as a tax deduction. The rich get along very well right now. But only three-tenths of 1 percent of the aged on OASI have annual incomes of \$50,000 or more; only 3 percent have incomes of \$10,000 or more. Practically all of those

who would be covered are in modest circumstances who cannot pay for unpredictable and often catastrophic illnesses.

Dr. Annis said the Supreme Court held that social security is not insurance. Let him quote from whatever opinion he has found, because I say the Supreme Court has never handed down such an opinion. A Solicitor General in the Eisenhower administration said that. But the Supreme Court held that he was wrong and declared:

The social security system may be accurately described as a form of social insurance, enacted pursuant to Congress power to spend money in aid of the general welfare.

The Supreme Court has also said:

The "right" to social security benefits is in one sense "earned" for the entire scheme rests on the legislative judgment that those who in their productive years were functioning members of the economy may justly call upon that economy, in their later years, for protection from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when the journey's end is near.

Madam President, the characteristics that make social security insurance a form of insurance include: first, the program spreads the risk; second, the covered risks are insurable; third, the timing of the occurrence of the risks, and the situations in which they occur, show wide variance among the insured group; fourth, the cost of meeting the risks is actuarially evaluated; fifth, contributions sufficient to cover this cost are provided for; and sixth, benefits are paid from those contributions on a predetermined basis.

#### UTILIZATION

Dr. Annis said:

If your illness required hospitalization for more than 30 days, it'd have to be passed on by a special committee who'd have to consider a lot of other people, too. Thirty days is 30 days. Your doctor won't decide. The committee will decide when it meets. Under King-Anderson let's say your doctor believes you should be in a hospital immediately, but the facilities utilization committee forces you to wait, to go by number instead of by need. What can your doctor do? You are his patient. He is responsible for bringing you back to health. Not the committee.

This is a sham argument that Dr. Annis makes. The American Hospital Association does not favor the bill itself, but it stands firmly behind the inclusion of these eligibility conditions if any legislation is to be enacted. A reason for this support may be that all but two conditions—the health, safety, and utilization committee requirements—must be met by any institution in order to be considered a hospital by the association. The health and safety requirement, however, must be met for accreditation according to standards set jointly by representatives of the American Hospital Association, American Medical Association, American College of Surgeons, and the American College of Physicians. The utilization committee requirement has been proposed for inclusion in these accreditation requirements by the American Hospital Association.

Dr. Annis failed to say what this committee he refers to is. It would be a

hospital staff committee of doctors who would operate under their own rules. In many Kerr-Mills programs, as in West Virginia, the medical associations have objected because such committees were missing. In Pennsylvania they sponsored these committees to work with Blue Cross. The Government is only taking the medical associations' recommendations. If this were not done, Dr. Annis would complain about that, too.

Further, the committee would be given no authority in the bill to rule on admissions. If there are priorities assigned to admissions, those priorities are not connected with Federal legislation.

#### PRIVATE INSURANCE

Dr. Annis said:

It (the King-Anderson bill) will undercut and destroy the wholesome growth of private, voluntary insurance and prepayment health programs for the aged, which offer flexible benefits in the full range of individual needs.

Madam President, opponents of the original social security law said its enactment would undermine private pension plans and annuities. What happened? Between 1940—when social security benefits were first paid—and 1960, the number of workers covered under private pension and deferred profit-sharing plans increased from 4 million to 22 million; the number of annuities in force increased from about 1½ million to about 6 million; life insurance in force grew from \$115 billion to \$586 billion; and life insurance per family grew from \$2,700 to \$10,200.

The private health insurance organizations will grow after enactment of the King-Anderson bill in much the same way. Older people, with their big health costs and low incomes, need comprehensive protection against unexpected health expenses. Many do not buy any health insurance now because what they can afford will not see them through—an episode of serious illness will put them on public assistance even if they buy the kind of health insurance they can afford. With basic protection under social security, the aged will find that with the additional protection they can afford they will really have protection against catastrophic illness.

Dr. Annis said he was a physician, not a cheerleader. Neither is he an insurance man. A prominent member of the health insurance industry, Frederic M. Peirce, president of General American Life Co., referring to the growth of life insurance since enactment of the Social Security Act, said:

It is a record which provides a fitting analogy and a sound precedent upon which to base the expectation that the health insurance business will continue to grow and prosper despite the advent of Government provided health insurance if that unwelcome development should come to pass.

#### MISLEADING FIGURES

Dr. Annis said 53 percent of the aged have private health insurance, and 80 to 90 percent will have it by 1970. Madam President, very few of the aged have really satisfactory protection; they cannot afford it. The 80- to 90-percent prediction for 1970 is even higher than a figure put out by the insurance industry.



It seems to be Dr. Annis' own figure, though he credits it to actuaries. The figure is ridiculous, considering that the aged who now have no insurance are the highest cost risks and those least able to pay for insurance. Half of those with insurance have Blue Cross, and Blue Cross says it cannot afford to sell any more to the aged at present prices. The proposed nationwide Blue Cross plan for the aged would raise premiums to \$12 a month—two or three times what the aged now pay.

Dr. Annis said the social security retirement test is a means test. But there is a big difference. Retirement is normal, and is no reflection on self-sufficiency, and is simple to prove. The Government does not have to pry into people's affairs. Indigency takes investigation of all income, assets, and personal needs, and once proved, classifies a person as unsuccessful and a drain on the community.

#### TAX EXPLAINED

Dr. Annis said:

The American taxpayer, whose payroll tax would be hiked by as much as 17 percent to start with in order to pay for this program, certainly has a right to question the free ride those who do not need these benefits would be taking at the expense of his children.

Actually, the only persons whose total social security taxes would increase even close to 17 percent as a result of the King-Anderson bill are those earning \$5,200 or more a year, and those people would get for their 15.8 percent additional contributions higher cash benefits under OASDI, as well as health insurance protection in old age. The increase for workers with earnings of less than \$4,800 would be about 7 percent, not 17 percent.

Dr. Annis says after a patient leaves the hospital or nursing home he would not be eligible for further hospital benefits for 3 months. He fails to say that this is only if the patient has used 90 days of care in the hospital during this illness. Hospitalization of this duration is extremely rare. About 95 percent of the aged hospitalized stay 60 days or less. Even the rare one who stays 60 days who has a relapse can return for an additional 30 days no matter how soon the relapse occurs. He fails to say that the hospital coverage of this bill is more generous than that of practically any insurance program for the aged or Kerr-Mills program in the United States.

The King-Anderson bill focuses on protection against devastating hospital costs. An aged person who goes into a hospital does not face "average" medical bills. He faces a hospital bill of hundreds or thousands of dollars—covered under S. 909, except for the deductible. Here are some typical examples: Mr. A, who has only the average hospital stay of 15 days, has a hospital bill of \$450, of which the proposed program would cover \$360, or 80 percent. Mr. B is in a hospital for 60 days, and then in a skilled nursing home for 180 days; his total bill is \$3,600; and \$3,510, or 97 percent, is covered.

#### KERR-MILLS LIMITS

It is absurd to say that the Kerr-Mills program covers 100 percent of the medical costs for those who need help. Only

24 States have MAA programs, and 3 States still make no OAA medical care vendor payments. Most MAA programs limit eligibility to persons with less than \$1,200 or \$1,500 annual income. Medical services provided are often very limited—for example, hospital care limited to 6 days per admission in 1 State, 10 days per person in another, and sometimes only in life- or sight-endangering cases. What happens to the aged when the 6 or 10 days are over?

Dr. Annis says many important drugs used would not appear on the list approved for hospitals. He seems to suggest the Government is setting up an approved list. This is false. The lists in the bill include every national drug formulary prepared by the medical professions in the United States. The professions can add to these lists or subtract from these lists at their own will without any clearance from the Government. We have asked the American Medical Association to suggest an improvement in this provision in the King-Anderson bill. They have submitted no recommendation. What freer hand can be given to the medical profession?

Dr. Annis asked, Where would the "already hard-pressed hospitals get the staffs to keep up with the Government redtape and paperwork"?

He has no element of evidence to show that there would be any different arrangement for administration of the King-Anderson bill than is now accepted for Blue Cross or other hospital insurance. The fact is that the Social Security Administration operates its present programs with far less redtape than many private insurance plans and would do the same with health insurance. Actually, the cost of administering the present social security program is only about 2 percent of benefits, and 3 percent of benefits is estimated as sufficient to administer the administration's health insurance program.

Dr. Annis refers to a Federal financial budget for hospitals. There is no authority for any such budget in any bill, much less the King-Anderson bill, or in any law of the United States except for Federal institutions, and Federal institutions are excluded from coverage under the bill.

#### NO OVERCROWDING

Dr. Annis is worried, too, about whether hospitals would become crowded. If my bill is enacted, the aged are expected to use somewhat more of the total hospital days in the United States than the one-fifth they now use. An increase in utilization of even 25 percent for aged people—which would be as high as we could expect—would amount to only a 5-percent increase in total usage.

On an average day, only about 75 percent of all hospital beds are occupied. Even if hospitals were slightly more crowded than now until more capacity is provided, I would favor the proposal so that the aged can be given financial ability more nearly equal to that of the young to obtain the care they need.

Certainly Dr. Annis is acquainted with the Hill-Burton program which has provided Federal funds to help build hospitals to meet the growing need for beds.

And certainly he knows of President Kennedy's proposals for scholarships to medical and dental students, as well as aid in building medical and dental schools. So the administration is moving along several paths to meet the need for staffs.

#### AMERICAN MEDICAL ASSOCIATION TACTICS

Dr. Annis said the American Medical Association has never tried to tell doctors how to think on issues not relating to health.

The American Medical Association's irresponsible charges about the social security program of cash benefits for the retired, the widowed, the disabled, and the orphaned have been drummed into doctors in the past in the same way and with most of the same arguments the American Medical Association now uses to try to defeat the President's health insurance proposal. Senators will recall that the American Medical Association labeled as socialized medicine the disability benefits program we had before us in 1956. We passed it—and the doctors are giving the Department of Health, Education, and Welfare fine cooperation in its administration.

I would like to ask Dr. Annis: "If the American Medical Association is not seeking to limit physicians' thinking on the King-Anderson bill, why did their Journal refuse to publish the ad of the Physicians Committee for Health Care for the Aged Through Social Security?"

Dr. Annis implied that the British people are unhappy with their system of medicine and that "England's nationalized medical program" is what the supporters of the King-Anderson bill have in mind for the country eventually. "Socialized medicine" is generally used synonymously with the system used in Great Britain, where doctors work as employees of the Government, and the Government operates the medical facilities. The Government would not provide under the King-Anderson bill a single service by doctor or dentist, but would only help people finance the costs of health care. There are specific guarantees that the Government would in no way control, regulate, or interfere with the practice of medicine. And neither the President nor the sponsors of S. 909 have any intention of modifying those guarantees.

The proposed program is designed to operate like Blue Cross and other similar existing programs and that means it is nothing like socialized medicine. If anything, it is a step away from socialized medicine, not toward it.

Dr. Annis said the King-Anderson bill "shuts its eyes, turns its back, cares not" about people under 65.

This is a strange statement for a man who endorses the Kerr-Mills law as the ideal solution when that law covers only persons over 65. It turns its back, it shuts its eyes, it cares not about persons under 65. Is Dr. Annis saying that all ages should be covered by the King-Anderson bill?

#### FIFTEEN MILLION HELPED

The truth is that in 1964 about 5 out of 6 people age 65 or over—15 million out of the 18 million total—will be

eligible for benefits under the administration's health insurance proposal. About 9 out of 10 persons who will reach age 65 in 1964, and 95 percent or more in future years, would have this protection.

Almost all of the 3 million aged people not covered under the administration's proposal in 1964 would be eligible for benefits or assistance under other public programs. About one-fourth million will be eligible for health insurance benefits under the Federal employee retirement programs. Some one-half million would be able to get health care under the veterans' program. The aged persons in public institutions such as TB or mental hospitals receive medical care at public expense.

In addition, the public assistance programs will provide medical assistance for many of the aged not covered under other programs; some 1¼ million will be on old-age assistance and eligible for the medical assistance available to such recipients, and the new medical assistance for the aged program will provide medical care for others. Some few aged persons not eligible for social security, such as some retired physicians, would be persons with substantial assets and not eligible for assistance on a means test basis.

#### PUBLIC ASSISTANCE

If the proposed health insurance program is enacted, it would relieve the States of part of their heavy financial burden and enable them to improve and expand their assistance programs, and provide more comprehensive medical care for more aged people who need it on an assistance basis. On the other hand, without the proposed health insurance program, the entire aged population—except for the small group covered by Federal retirement or Veterans' programs—will have to rely on whatever help the States can afford to provide under their assistance programs.

In the presentation of views on medical care for the aged, the points of agreement and disagreement between American Medical Association and the administration may have been unclear. Both the American Medical Association and the administration favor the expansion and the improvement of voluntary insurance and Kerr-Mills legislation.

The administration proposes to add to these two important protections a third—health insurance for the aged through social security. The American Medical Association opposes the social security measure not on technical grounds—the administration was prepared and remains prepared to hear suggestions from the AMA for technical improvements. The AMA opposes any such health insurance protection if it is provided through social security. The details are unimportant; it is social security they oppose and the means test they favor.

An average couple reaching age 65 is faced with four, five, or six hospital spells in their retirement years. The administration believes that there should be sufficient protection to keep all but a relatively few people off public assistance through all their years. The

American Medical Association thinks that a means test and public assistance should be acceptable to everyone.

I hope this statement has served to make clear the emptiness of the AMA's contentions, and the reasonableness of the King-Anderson bill.

Madam President, I have been receiving many letters as a result of the President's speech at Madison Square Garden. Here are some of the questions that have arisen in correspondence and my answers, and I ask unanimous consent that they be included at this point in my remarks.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

#### QUESTIONS AND ANSWERS ABOUT THE KING-ANDERSON BILL

Would passage of the King-Anderson bill bring inferior medical care and socialized medicine?

This bill doesn't permit the Government to pay doctors' or surgeons' salaries, or own and operate hospitals. These elements characterize socialized medicine. The King-Anderson bill simply provides a method of payment for certain care for the aged, as does Blue Cross, for example. Physicians and hospitals are already accepting Federal funds to provide care for military dependents, Veterans' Administration cases, old-age assistance and medical assistance for the aged recipients. Why doctors or hospitals would give inferior care because part of the bill is paid for with social security dollars is unclear in the light of those facts.

Then wouldn't it be the first step toward socialized medicine?

No. I am opposed to socialized medicine, as are other sponsors of the bill and the administration. The proposal is considered an essentially complete one. It is designed to meet the problem that the aged do not have the financial resources to purchase adequate protection against their above-average health bills. Thus, in the case of the aged, social insurance provides a workable plan through which they can prepay the full cost of health insurance coverage during their working years. If there is basic social insurance and as private supplementary protection expands, as can be expected, there will be no need to go further than the present proposal.

Isn't it true that if the Federal Government pays for something, it controls it?

Under the Federal Hill-Burton program, some 1,800 beds will have been added to New Mexico hospitals. No one complains about this program to assist in hospital construction. The Federal Government is not controlling these hospitals. Ask the hospitals. In addition, one of the things that has enabled American medicine to attain such a high level is research. The National Institutes of Health, using Federal dollars, account for a vast part of that research without Government domination. In all, the Federal Government finances 55 percent of the medical research being carried out in this country.

Would the bill pay the health expenses of the wealthy aged?

Wealthy people age 65 or over are already in effect reimbursed for their medical expenses because medical deductions on tax returns result in a tax reduction equal to most (as high as 91 percent) of their medical costs. So in a real sense, their medical costs are already borne by public funds. However, aged persons with annual incomes of \$10,000 or more are only 3 percent of the eligibles. We seek to aid the 97 percent.

Shouldn't children help their aged parents?

Of course, they should. But parents do not want to be dependent on their children.

Moreover, the children often have modest incomes and are trying to raise their own families at the time their parents reach 65 and need health care. It seems much wiser to spread the risk rather than have some children suffer financial catastrophe because of unpredictable medical expenses of their parents. Many aged, having no family to turn to for help, are completely alone.

Wouldn't the bill leave many aged unaided?

In 1964, 5 out of 6 persons on social security or railroad retirement will be covered—15 million out of the almost 18 million persons 65 and over; about 95 percent will be covered over the long range. In 1964, in New Mexico, 42,000 of the aged would be covered, or 737 out of every 1,000. Practically all the rest would be eligible for benefits or assistance under various public programs, such as Federal employee retirement programs, comprehensive health care through the Veterans' Administration, as TB or mental patients, or through old-age assistance or medical assistance for the aged under the Kerr-Mills law.

Will older patients overwhelm the hospitals?

My bill provides three safeguards against overuse. First, a patient is admitted only on a physician's order; second, hospitals would have utilization committees to review admissions, length of stay, etc., a procedure strongly advocated by the American Hospital Association; and third, built into the bill are incentives to use skilled nursing homes, home nursing services, and outpatient diagnostic services, rather than costly hospital beds when the physician says it is wise. There probably would be some increased use by the aged of hospitals, but this is just a general indication that they now may not be getting the amount of care they require.

Wouldn't passage of the King-Anderson bill require a tremendous increase in administrative costs?

Social security administration costs are now running a little bit over 2 percent of contributions. These costs would be about 3 percent for administering the health benefits under this bill. In part, this low administrative cost is due to the fact that much of the paperwork for determining the eligibility of social security beneficiaries is already done in connection with the existing cash benefits. The bookkeeping is already on punchcards, and by automatic sorting and accounting machines, checks can be written from these records. The saving would be enormous.

Wouldn't the King-Anderson bill produce a budget deficit?

No. Social security benefits come from a special trust fund, and are not reflected in the Federal budget. The benefits and the taxes required to finance them are tied together in a single package. When a social security proposal is considered, benefit costs over a long period of time are actuarially evaluated, and a clearly identifiable tax is levied to meet fully the long-term costs of the benefits provided. No liberalization in the program has ever been made without adequate provision to meet its cost. This businesslike method of financing assures that Americans will know the benefits they are buying and how much the benefits will cost, both now and in the long-run future.

Isn't private insurance doing the job?

No. Only about half the aged have private health insurance. These are people who are in comparatively better health and financial condition. I know that some critics say 80 to 90 percent of the aged needing and wanting health insurance will have it by 1970. I've seen these estimates. Some assume that growth in private insurance coverage among aged will continue at the same rate as during the 1950's. At that rate, 120 percent of the aged would be insured in 1980. Estimators ignore the fact that older people who are still uninsured



are the worst sales prospects. They tend to be the bad health insurance risks with low incomes. The increase in the proportion of the aged with health insurance has already begun to slow down.

Second questionable assumption: Certain people—such as those eligible for public assistance—don't need or want health insurance and need not be counted. Anyone willing to categorize people as "not needing or wanting health insurance" if they can get medical assistance can go one step further and say almost 100 percent of the aged who want health insurance—in the sense that they are good sales prospects—have it right now.

There is a serious question of adequacy of most of the policies now being written for the aged. For example, many of them carry limits of \$10 a day for hospital room and board. In New Mexico in 1960, short-term general hospitals had an average per diem expense of \$32.47. Even conservative estimates indicate these hospital expenses will go to \$50 by 1970. It is clear that private insurance protection generally falls far short of meeting the need.

Wouldn't the program ruin private insurance?

On the contrary, private insurance would be benefited. With basic protection assured under social security health insurance, aged persons could use what funds they have to supplement their coverage. Supplementary insurance could be sold by private insurance plans to cover items not covered by social security health insurance, such as surgery, drugs, physician visits, and dental care. Without the burden of insuring the high-cost aged, Blue Cross, Blue Shield, and commercial insurance carriers could hold down their rates and sell insurance to the working population more successfully. Private health insurance would thrive with the enactment of social security health insurance, just as private life insurance was stimulated in its growth by the passage of the original Social Security Act 26 years ago.

Is Kerr-Mills the best answer to the problem of the aged?

I think we have to take a minute to look at the facts and figures in answering that question. Medical assistance for the aged programs are now (June 1, 1962) found in 24 States, plus Guam, Puerto Rico, and the Virgin Islands. But the means tests and the benefits provided vary greatly between the States. As a result, 92 percent of the money spent for benefits is being spent in four States (New York, Massachusetts, California, and Michigan). Many States, including New Mexico, do not have a program. Should we continue to finance this medical care in the richer States? If all States were to establish programs providing a reasonably adequate program of health care for the medically indigent, it could easily cost over \$1 billion yearly and this would come from general tax revenues, from your taxes and mine.

The Kerr-Mills provisions have been an advantage primarily to the high income States. For example, in New York total monthly payments—both for cash assistance and medical vendor payments—under old-age assistance and medical assistance for the aged combined were over \$5 million higher in January 1962, than they were in September 1960, the last month before the Kerr-Mills provisions went into effect. State and local funds spent for these programs increased by \$1 million while the Federal share had increased by \$4 million. When the same two months are compared, Massachusetts actually reduced its own total expenditures by over \$1,336,000, while picking up an additional \$1,459,000 in Federal funds. This placing of the loan on the Federal Government by the high income States is possible since medical assistance for the aged offers increased opportunities to these

States to obtain Federal matching for medical care of the indigent aged. In New York, during the 16 months, October 1960 to January 1962, 37 percent of the 64,439 cases opened under the Kerr-Mills medical assistance for the aged program were transfers from old-age assistance. In Massachusetts, in that period, 60 percent of the 31,768 cases opened were transfers from old-age assistance. These transfers between assistance programs were made to get more Federal funds toward the cost of the case. What we have now is a case of the poor States supporting the rich States; and believe me, this won't go on forever. Under Kerr-Mills programs, doctors' bills are paid with Federal and State general revenue tax dollars, and the amounts paid are pretty well controlled by the State. Why the physicians favor this approach as against the self-financed contributory King-Anderson bill, which doesn't pay doctors' fees and doesn't affect them, is a mystery to me.

Can't we meet the real needs of the aged through public welfare?

I think the best way to answer this is to quote from the 1961 annual report from the New Mexico Department of Public Welfare:

"The cost of medical care purchased in the fiscal year 1961 was 13.3 percent of total public assistance payments compared with 11.1 percent in 1960 and 9.9 percent in 1959. As stated previously, disbursements increased 33.9 percent which was the most rapid rate of increase of any welfare services administered by the Department. The major cause of this increase is attributed to the utilization of medical services by recipients of public assistance. In the fiscal year 1961, 59.8 percent of all persons receiving public assistance during the year also received some medical care as compared with 49.9 percent in 1960 and 41.3 percent in 1959. A high incidence of illness is expected among low income groups, particularly the aged and totally and permanently disabled. However, when a budget cut is imminent, the welfare administration is faced with reducing medical services or food budgets for clients."

Mr. ANDERSON. Madam President, since so many people doubt what the provisions of the King-Anderson bill are and why it is needed, I have prepared a brief summary of the bill and facts about it and I am sending this to constituents who write to me. I ask unanimous consent that this summary of what I have prepared be included at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

#### FACTS ABOUT THE KING-ANDERSON BILL

The aged care bill is necessary because: The number of Americans 65 and over is rising rapidly. In 1900, 1 out of 20 was in that age bracket. Today, 1 out of 11 is. Between 1950 and 1960, the general population increased 19 percent; the aged increased nearly 35 percent. Today, 17 million of our fellow citizens are 65 or older; by the turn of the century, their number is expected to double. They have the highest incidence of chronic and prolonged illness; they spend twice as long in the hospital generally as do younger people; their medical bills run twice as high at the same time their income is only half as much as that of younger persons. Health expenditures for all ages climbed 42 percent from 1952 to 1957; for the aged they went up 74 percent. But statistics do not measure the anguish and deprivation of large numbers of the aged and their families caused by heavy medical bills which take such a large part of already limited incomes.

The social security tax would be increased by one-fourth of 1 percent each for em-

ployees and employers. In addition, the base on which the general social security tax is levied would be raised to \$5,200 from \$4,800. The taxes would go into a trust account especially for the program.

This is not a Government handout. It would be social insurance in keeping with the spirit of the quarter-century-old social security system. Benefits would come as a result of statute rather than contract as in commercial insurance.

Since wages only up to \$5,200 a year would be subject to the proposed tax, a worker would pay a maximum of \$17.16 a year toward the health insurance account, and a worker making \$4,800 would pay \$15.84.

The latest actuarial estimates are that in the first year of operation costs would total \$1¼ billion for administration and benefits. This would not upset the soundness of the social security system or the national budget. The present social security trust fund is in excellent financial condition and the proposed tax increase for health care for the aged would keep it that way.

These benefits would be provided under the King-Anderson bill:

(a) 90 days of semiprivate hospital care within a "benefit period," with a deductible of \$10 per day for the first 9 days (minimum deductible \$20).

(b) 180 days of skilled-nursing-home services within a "benefit period," when such services are furnished following transfer from a hospital and are necessary for continued treatment of a condition for which the individual was hospitalized.

(c) 240 home-health-service visits a calendar year.

(d) Outpatient-hospital-diagnostic services in excess of a \$20 deductible, for each diagnostic study.

All persons aged 65 and over who are entitled to either old-age, survivors and disability insurance (social security) or railroad retirement would be covered.

It is regrettable that the scare words "socialized" and "compulsory" have been used as a substitute for facts. Specific provisions in my bill prohibit Government control of medicine. The right of a patient to choose his own physician, hospital, and other medical facilities is safeguarded in the bill.

A number of States have put into effect programs to help their indigent aged meet certain medical costs. But in most cases, the benefits are extremely limited and the eligibility requirements are so rigid that the State programs fall far short of doing the job. Additionally, the States are already hard pressed to provide for other needs such as education. They would have to raise general revenue taxes to pay the rising cost of health care for their older citizens. New Mexico has not started a Kerr-Mills program, although I suggested they do so. The Kerr-Mills program can be effective only if the social security plan for the aged is enacted.

Mr. MANSFIELD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

## PRIORITIES IN FOREIGN AID

Mr. KEATING. Madam President, I submit an amendment to the Foreign Assistance Act of 1962, S. 2996, and ask that it be printed.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table.

Mr. KEATING. The amendment reads as follows:

*It is the sense of Congress that clear priorities should be established among the countries receiving assistance under this Act and that any requests for appropriations to carry our programs of assistance under this Act should be accompanied by information with respect to the priorities assigned for the fiscal year for which appropriations are requested.*

*It is further the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which concentrate their own resources on economic development rather than on Communist supported military or propaganda efforts directed against the United States or against other countries receiving assistance under this Act.*

The pending bill, which provides for a total authorization of nearly \$4 billion for American assistance overseas for fiscal year 1963 continues the unfortunate tendency to put virtually unchecked power in the hands of the administrators of the foreign aid program. I realize that some leeway is necessary to meet an ever-changing international situation, but this leeway should not be the camouflage for a complete disregard of congressional policies as outlined in this and other foreign aid bills.

As this amendment indicates, there is a very definite need for guidelines, for an order of priority in our foreign-aid program. It is highly indicative to me that whenever a Member of Congress or anyone else, for that matter, suggests that a certain country should not be receiving large amounts of American aid, the reply from the backers and administrators of the program is, "Well, we can't just cut off aid to so and so." The basic question as to why we ever gave any sizable amount of aid to the country to start with or, if there was a good reason to start with, why we continue the aid, does not seem to get asked.

Madam President, those of us who, over the years, have supported the general principle of foreign aid must realize that the United States is not rich enough to help all free nations and to guarantee them all a chance for economic prosperity. Under these circumstances, we badly need a clear order of priorities which would indicate beyond doubt where we are putting our real emphasis and attention. We cannot afford to dissipate our efforts to countries which are making no serious efforts themselves or which appear to be so closely wedded to the Soviet line that they cannot really be considered our friends.

Madam President, the reports which are called for in the first part of this amendment would require that some genuine and undoubtedly difficult decisions be made as to where our help should be concentrated. Such an indi-

cation would be useful, not only to the Congress in evaluating the program, but also I strongly believe to the administrators of our foreign aid program in weighing the innumerable requests which are laid before them.

Further, Madam President, the amendment would provide for great consideration to be given to those nations which share the view of the United States on the world crisis. This point is self-explanatory and originally derived from the statement of the President when he signed the 1961 foreign aid bill. Very similar language was adopted by the Congress as an amendment to the appropriation bill last year.

There is a very real question today as to the value of additional assistance for Yugoslavia, Poland, and a number of other African, Asian, and Middle Eastern countries, which have frequently parroted Khrushchev's line.

My amendment would also provide a clear statement within the legislation that foreign aid programs should be curtailed or eliminated in those countries which rely on U.S. economic assistance to help support military and propaganda efforts directed against the United States or against other friendly nations receiving U.S. assistance.

What this language means should be very clear.

Let me give a few examples.

If American aid to Egypt will give Nasser the economic margin he needs to buy military equipment from the Soviet bloc or to step up anti-Western hate propaganda in the Middle East and Africa, then that American aid should not be extended. Certainly it should not be increased, as present plans seem to indicate.

If American aid to India is going to give Indian Defense Minister V. K. Krishna Menon the funds he needs to buy Soviet Migs to threaten Pakistan, then clearly American aid to India should be cut down at least by the amount of Indian purchases of Soviet weapons.

If American aid to Indonesia is going to be used directly or indirectly to help President Sukarno pay his bill to the Soviet Union for the equipment he plans to use against the Dutch in West New Guinea, then American assistance to Indonesia should be similarly reduced.

Madam President, clearly we cannot dictate to foreign nations how they will draw up their budgets, but we certainly can and should make very sure that American assistance does not make it easier for any country to undertake aggression, hate-mongering propaganda, or other activities which are deliberately designed to promote private feuds or to undermine the interest of the United States in the area. Where nations are arming against communism or Communist subversion, as in southeast Asia, or even in some parts of Latin America, American assistance can and should play an important role, but where nationalistic extremists are putting aggressive ambitions ahead of economic development and social reforms, we should draw the line in our foreign aid program.

Madam President, as I have indicated, the foreign aid bill provides huge sums

of money with relatively few guidelines as to the way in which the funds should be dispensed under this kind of situation. In my judgment it would be very much in the national interest to tighten up the language in this bill and provide more definite guideposts for the flow of American foreign assistance. My amendment would indicate the sense of Congress on these issues. It would not tie the hands of those administering the program, but it might serve as a useful and unfortunately also as a very much overdue warning to some of those nations who have come to take American aid very much for granted.

It is my hope that the committee will study the wording of the amendment. Perhaps it can be improved upon. However, an amendment along this line, carrying this general principle, seems to me very much in order and very much needed if we are to enact a billion-dollar bill which will have to be responsibly administered.

## GEORGIANS DIE IN PARIS AIRPLANE TRAGEDY

Mr. RUSSELL. Madam President, on Sunday in a tragedy that defies description more than one hundred of my fellow Georgians, many of whom were my close personal friends of many years, were taken from this world for reasons which are known only to God.

No single plane tragedy in history was worse. But what is so distressing to those of us from Georgia is that among those killed were some of the finest leaders and most substantial citizens our State ever produced. Entire families were wiped out. Children were left orphaned, never again to see their parents; and Atlanta, our capital city, has in a way been orphaned. It has lost a rich core of its civil, cultural, social, and political leadership, deprived of some of its proudest people, an irreplaceable loss.

Our State is no stranger to disaster. Our city of Atlanta is no stranger to tragedy and grief. Atlanta was the objective of a many-day siege during the War Between the States, which took a great toll of its people. The city was burned and reduced to rubble.

The forebears of many of those who have now been taken from us rebuilt Atlanta and Georgia from this destruction. Their descendants had carried on this work, bringing new glory to our State, and their efforts have brought Atlanta national fame and made it indeed the capital city of the South.

How sad it is that again such a tragedy should strike and take from us the flower of our community leadership. Gone are 121 of my State's most distinguished people, the most valued possession of any State or city. We cannot fill their places. Atlanta and Georgia have been dealt a stunning blow.

Sunday was a sad day for my State and a sad day for me.

Mr. JAVITS. Madam President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from New York.

Mr. JAVITS. I feel certain the country will mourn with the Senator from



Georgia at such a disaster. Of course, other airplane disasters have occurred, but rarely has one hit so hard at one particular place. I think everyone, as he read the press, must have felt his heart bleed, much as we know we could not do anything about it.

I wish to express my sympathy and the sympathy of the people of the State represented by Senator KEATING and myself, as I believe they would wish us to do.

Mr. RUSSELL. I thank the Senator from New York.

Mr. KEATING. Madam President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from New York.

Mr. KEATING. I wish to join in the expression of deepest regret and profound sympathy to the families of all those in the capital city of the State of the distinguished Senator from Georgia who have been so shocked and shattered by this tragic event. I know every Member of this body feels a deep sense of sympathy, and I believe it should be extended to the Senator from Georgia, who lost so many personal friends in the tragic incident.

Mr. RUSSELL. I thank both the Senators from New York, and I thank all others who have expressed their sympathy and have noted that in this unusual tragedy this gigantic plane, the largest type of passenger plane which flies the skies, should have had as its cargo people from only one community.

Other great disasters have occurred in the air, but the sorrow has been diffused through many communities. In this instance, the tragedy fell upon one community.

Mr. SPARKMAN. Madam President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from Alabama.

Mr. SPARKMAN. As a representative of a neighboring State, a State which is really a daughter of Georgia, because Alabama was once a part of Georgia, I join in extending our sympathies to the people of Atlanta and of Georgia and to the distinguished Senator from Georgia himself. All of us are deeply shocked and grieved by this catastrophe. I remember when the news of it came through. I had just returned from church, and my wife told me she had heard the news of the tragedy over the television. It was an awful shock. I know that the whole country joins in extending its sympathy and its sense of personal grief to the people of Georgia and of Atlanta upon their loss.

#### POSTAL RATE LEGISLATION— NEWSPAPERS AND MAGAZINES

Mr. JAVITS. Madam President, last Thursday Dr. Frank Stanton, president of the Columbia Broadcasting System, delivered a most thoughtful and informative speech regarding proposed postal rates legislation affecting newspapers and magazines. Since this matter will soon be taken up by the Senate, I believe it to be useful for Senators to have the benefit of the view of this distinguished communications executive, my fellow

New Yorker. I therefore ask unanimous consent that his address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF FRANK STANTON, PRESIDENT, COLUMBIA BROADCASTING SYSTEM, INC., OVERSEAS PRESS CLUB, NEW YORK, MAY 28, 1962, SIGMA DELTA CHI

When you saw fit, 2 years ago, to elect me a fellow in this organization, one of the things to which I looked forward most was the prospect of meeting from time to time with journalists from all the media. Now that I have that privilege, I would like to talk with you about the serious implications in the proposed postal rates legislation affecting newspapers and magazines, legislation that has passed the House and on which public hearings are being held this week by the Senate.

To contribute effectively, strongly, creatively to the intricate processes of self-government, the free press needs to take a variety of forms—books, magazines, newspapers, films, radio, television. It is a great help to have an organization like this that is concerned with all journalism—one that sees the free press, inclusively, embracing every way in which it is possible for free men to have their say and to disseminate that say to their fellow citizens—because it provides an informal forum where we can discuss one another's problems.

It will come as no surprise to you that in my particular area of the free press we are well attuned to problems. It is a very lean month, indeed, when somebody does not call broadcasters to account; and we are—as a price, I suppose, of relative youth—going through battles which some of you in the older media fought many years ago. But freedom of the press, like all fundamental freedoms, is indivisible; if you attack the freedom of one medium, you attack that of all others; and if you diminish that of any one medium, you diminish it of all others.

Then, too, the battles are never really won. Easy solutions of every problem facing modern man are far too tempting for some people not to volunteer to sacrifice a basic freedom—or at least clip its wings—in order to make some short-term gain. It makes the situation all the more difficult that such efforts are seldom malicious or cynical, and almost always well-meaning and nobly motivated.

In the face of baffling problems that we face overseas, for example, good and conscientious men have suggested that we must police what we report of ourselves and what we reveal of ourselves for the consumption of other peoples. I have found it hard to take this view—however, much I must respect the motives of those expressing it. It seems to me fallacious in the extreme to expect that we can have one standard of disclosure for ourselves and another for the presence that we visit upon others. We are what we are—strengths and weaknesses, nobilities and fallacies, advances and retrogressions, awareness and lapses—and we can fool no one. What we can do is to show men everywhere that we have the courage, the honesty and the self-confidence not to impose rules restricting the reporting and discussing of any aspects of our national life and character. And this is not merely sentimental devotion to the idea of freedom. Our hopes for progress have always rested in the freedom to criticize, to view with alarm, to go after the shortcoming that falls short of the democratic ideal, with somewhat more persistence than we comfort ourselves with our achievements.

One of the most effective guarantees against any tendency on the part of the free press in this country toward complacency or doing a halfway job is its very multiplicity.

A pluralistic society has much to be said for it, but few things are more important than the varied sources of its information and its opinions about itself, of its culture, too, and of its diversions and entertainment. In no area is there more truth to the theory of safety in numbers. The only error intolerable to a free and progressive people is the error of the certainty that there is no error. I know of no better way to guard against that than to ensure the opportunity for a diversity of views, of ways of seeing things as they are and of proclaiming things as they ought to be—and, equally as important, insuring that all these views have a fair chance of dissemination.

The conditions of life under which this Nation has achieved greatness have altered so vastly that there are few of our original advantages as a nation left to support us as we move toward the last third of this harried century. The constantly expanding geographic frontiers are gone. Youthfulness is no longer a claim to distinction, and there are scores of nations that are our juniors. The economic premises of our national life are different.

The only thing on our side that remains the same is that we are still a varied people—a pluralistic society. As I have already noted, that has brought with it—necessarily, and not by way of luxury—a pluralistic press. Books, pamphlets, magazines, newspapers—dailies, weeklies, monthlies, quarterlies, annuals—spring from thousands of sources all over the land. A variety of religions, of ethnic backgrounds, of educational philosophies, of civic aspirations, of societal concerns, of philanthropic interests, of amusements—all these are constantly tossing into the caldron of democratic living agreements and dissents, cautions and prodings, hopes and alarms, surprising subtleties and startling eccentricities that give our society not only its direction and character, but also its zest and savor.

As an advocate for diversity and freedom, I have appeared with many of my colleagues in broadcasting before the Federal Communications Commission to help map out some of the avenues through which television might be strengthened as a force in American life. This was not for the dissemination of news alone, but also for contributing to the total cultural experience of our people, including their entertainment. There was in our minds at that time, very little doubt that enlarging the arena of competition for the attention of the public was by far the most promising way to increase the contribution of television. We favored more channels, not fewer, more diversity, not less. For we felt then, as we feel now, that we cannot win the battle to advance freedom with one hand while maintaining the status quo with the other. We must go forward and grow stronger, and more numerous. In television, this is easier to say than it is to do, because our existence is circumscribed by the limitation of the physical spectrum. But the all-channel receiver and the use of the UHF in addition to the VHF will ease the straitjacket and provide for the effective use of more channels.

One of the advantages of the print media is that there is no such technical limitation on the number of sources of printed material. And there is to us in broadcasting a bitter irony in the prospect that the provisionally infinite variety of printed news and comment and diversion in this country is now in danger of compromise by a single legislative stroke. For if all the economies aspired to in H.R. 7927 are ever effected—and, incidentally, those affecting the distribution of publications and their promotion amount to a fraction of 1 percent of the Federal budget—the pending postal rate legislation cannot help but seriously cut back the pluralistic character of the free press in America.

Those of us in communications who think we have no direct stake in this ought not to make the grievous mistake that it is someone else's battle. It is the battle of all of us. If a single publication in this country goes under, solely because under revised postal rates it cannot afford either distribution or the solicitation of subscriptions, we have lost far more than we can possibly gain.

From the earliest days of the Republic, the Post Office has been a public service—not business to be run at a profit or even to make its own way, but carried on at public expense—because it was long ago conceded that a necessary ingredient of democratic living is the dissemination of an unlimited number of organs of information, opinion, and diversion. The language of the Postal Policy Act of 1958 clearly reaffirms that policy. It reads: "In the determination and adjustment of the postal-rate structure, due consideration should be given to the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States."

It has been held to be a legitimate and worthwhile function of a democratic Government to make such dissemination possible—and the policy has worked. It ought to continue to work. Never was there greater need for diversity in our national life than there is now. The singleness of purpose in America today is, I think, as great as it has ever been in our history. But singleness of purpose can be translated into advantageous action only if there is a diversity of approach, a continuing colloquy, a constant flow of ideas and dissents from literally hundreds of quarters—including those that can enlist the attention and following of only a handful of people.

There is at this time a wise hesitancy about adopting any new postal rate structure that would impede or narrow this flow of the printed word. What is sought is not an innovation, not some novel strain on a government department, but a reaffirmation of a public policy that has strengthened and enriched the only true source of effective self-government—an informed and interested people. I hope very much that all of us here will see it as a larger business than that of the front offices of major publications. I hope that we will do what we can to make its implications clear to a broad cross section of American society. To this end I pledge the assistance of the CBS radio and television stations—both in airing the issues and in taking an editorial stand against the proposed legislation.

Mr. SPARKMAN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Madam President, I ask unanimous consent to dispense with further proceedings under the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. PROXMIRE. Madam President, I call up my amendment, which is numbered "5-29-62-B," a very brief amendment. I ask that it be read.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be read.

The LEGISLATIVE CLERK. It is proposed, on page 11, after line 24, to insert the following:

(g) Assistance to Yugoslavia under this Act shall be suspended for one year beginning July 1, 1962, or the date of enactment of this subsection, whichever is later. During this period the authority contained in section 614 and the second sentence of section 617 shall not be available for the benefit of Yugoslavia.

Mr. PROXMIRE. Madam President, I ask unanimous consent that I may yield to the Senator from New Hampshire [Mr. COTTON].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Madam President, I desire to commend the distinguished Senator from Wisconsin for offering this amendment. Members of the Senate will recall that for many years past my late senior colleague, the much beloved Senator Styles Bridges, offered and sponsored and fought for a similar amendment striking out aid to Yugoslavia, and for the past few years it was my privilege to join him and to cosponsor that amendment.

If the distinguished Senator from Wisconsin would be willing, I would like to ask unanimous consent to join him as a cosponsor of the amendment.

Mr. PROXMIRE. I would be happy and honored to have the distinguished Senator from New Hampshire join me in the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Madam President, I know this amendment has been offered before by the distinguished senior Senator from New Hampshire, Mr. BRIDGES. I recall it was offered by me in 1958, together with a provision that no aid would be given to Batista in Cuba, King Saud in Saudi Arabia, and Trujillo in the Dominican Republic. Subsequently, the Senator from Delaware [Mr. WILLIAMS] submitted an amendment which would have prohibited aid to Yugoslavia.

In the past such a move received substantial support. Although it did not receive enough votes to carry, it did receive substantial support.

I feel very strongly this afternoon that the past few months have underlined the wisdom of this kind of amendment. Indeed, I would argue that, with the situation as it now is, it is extremely difficult to justify continuing aid to Yugoslavia on any kind of basis.

One of the great changes in our foreign aid program, which I enthusiastically applaud, was the Alliance for Progress concept. Within the aid which we would give, we would do what we could to insist that our assistance to countries not go simply to the ruling people, or the few people who have great economic power, but that it go to all the people in a country, and, indeed, enable the country to provide the kind of broad democratic support which is essential if communism is to be successfully resisted and if freedom is to be widely shared and expansive. Many of us felt that without

this kind of provision the substantial amount of aid requested for South America could not be supported; but with that kind of provision it makes sense. Certainly, the provision for tax reform, land reform, the assurance that the people of the country will have a real voice in their government, is very wise and a splendid innovation of this administration.

Why do we support it? We support it because many of us feel that the fundamental purpose of a foreign-aid program should be to extend and defend freedom throughout the world. Some of us have had to compromise this consideration when we have been asked to provide funds for countries which are dictatorships. Spain is one such country. In the past the Dominican Republic was such a country. Saudi Arabia was such a country.

In every case the justification given for this kind of assistance was that, while these countries were dictatorships, they were very strongly anticommunistic; they provided in most cases military bases, and in some cases the military bases were essential for the defense of areas of the free world.

While some of us felt that this kind of expediency was not acceptable, a substantial majority of Senators went along with the compromise. However, how can that argument possibly be made in support of a government, a nation—Yugoslavia—which not only is a dictatorship, but a communistic dictatorship?

In the past a very delicate and subtle argument was made that we should give aid to Yugoslavia because, while Yugoslavia is a dictatorship, while it is a country in which the Government suppresses human liberty and prevents any kind of opposition party from developing, while it is a country that is communistic, Marxist, and Leninist, and its leaders are very proud of the fact, nevertheless, it is a Government which shows independence to the Soviet Union, and sometimes that independence, it has been argued, has received sharp and serious disapproval.

That argument may have been a persuasive argument in the past. However, today, in June 1962, that argument is no longer persuasive. Certainly we cannot argue that in Yugoslavia there are new elements of freedom, or freedom of expression. Within the last few weeks Milovan Djilas, a man who was former vice president of Yugoslavia, and was a very close confidant of Tito, Djilas an obvious Communist, a Marxist, a Leninist, has been jailed because he has written a book which has criticized Stalin and has embarrassed Tito and has embarrassed Khrushchev in the process.

Any notion that it was possible for free expression or for protest, for any kind of opposition to the regime as it developed in Yugoslavia, certainly should have been answered by the action a short time ago of jailing Milovan Djilas, a man who obviously had no real power in Yugoslavia, who was not engaged in any kind of overt physical threat to the Soviet, who had not threatened anyone, who had no power himself, but who merely spoke out through the



written word and indicated some very serious, fundamental criticisms of the nature of communism.

Madam President, it was no accident that Djilas was jailed, because his was not the usual kind of criticism of Stalin or of Tito, or indeed of communism. His was an extraordinary persuasive and perceptive analysis of what is wrong with communism and what is wrong with Tito's brand of communism. The fundamental thesis of Djilas was that Stalin as a dictator could not have been divorced from communism itself. Any notion that Stalin was some kind of an accident—any notion that, after all, the Marxist-Leninist line was a fine kind of ideology which would elevate the masses and permit them to inherit their rights in the world, and that this had been interrupted by the Stalin period of domination—as Djilas showed so well in his books, is nonsense.

The fact is that a nation does not have a dictatorship without a dictator. A nation does not have the kind of "the means justify the end," which is the heart of communism as it has been conducted over the past 40 years, without the sort of brutality, of inhumanity, and of oppression which was dominant in Stalinist Russia, and which will be characterized in communism of the future as it has been in communism of the past, and which certainly is apparent in Yugoslavia today.

The jailing of Djilas was the real answer to those who would contend that what Djilas wrote is not true.

Madam President, as for the argument that Tito is independent of Khrushchev and represents a force which gives Russia a great deal of difficulty, the fact is that in the recent meeting of neutralist countries at Belgrade, Yugoslavia, Tito was the leading figure in denouncing and in criticizing the NATO countries, the countries of the West and the United States, as he has consistently done for years, virtually ignoring the obvious crimes against peace of the Soviet Union. For example, Tito said that he could understand why Russia resumed nuclear testing, in the light of France conducting nuclear testing. That is an extremely weak alibi, since France never went along with the moratorium on testing. Of all the weak alibis, this probably was the weakest. Everyone knows that France represents no real challenge to Russia, and will not for many, many years—perhaps never. Certainly it will not be a real challenge in the foreseeable future. There is no comparison between the primitive and limited nuclear capacity of the French and the enormous demonstrated nuclear capacity of the Russians.

The fact is that there was a time, in 1950, when one could have made the argument that Tito was splitting off from the Russians, when the top Yugoslav officials favored the unification of Germany. Today Tito takes exactly the opposite position. He takes the Russian position, the Kremlin position, down the line. He favors recognition of East Germany by the great powers. He favors a divided Germany. He says there cannot be peace in Europe unless

Germany is divided and East Germany is made permanent.

There is a long history, Madam President, and I shall spend only a very few minutes this afternoon, as I conclude, in spelling out some of the reasons why I think any fair-minded, objective appraisal of the position of Tito should persuade the Members of Congress that we should not provide aid to this Communist dictatorship.

In 1955, Tito claimed that despite all that had passed vis-a-vis Stalin, he, Tito, had never betrayed the Communist cause. In fact, Tito has always pictured himself as a Communist, and as a true Communist.

In 1956, Tito triumphantly toured the Soviet Union.

On June 11, 1956, at Stalingrad, Tito said:

Yugoslavia, in time of war as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—victory of socialism.

Tito's speech on November 11, 1956, opposed Soviet interference so long as a Communist regime was master of the local situation. He opposed interference under those circumstances, but he favored Soviet military involvement when the local party's power was threatened.

This is not a man with whom we should do business, let alone a man to whom we should give assistance and aid. It is true that he opposes the Soviet Union going into a country to invade it so long as that country has a Communist government, but he made it very clear on November 11, 1956, that he favored Soviet military interference if the power of communism within a country was being effectively challenged.

In 1957 Tito instructed Kardelj and Rankovic to affix signatures to the manifesto of the 64 Communist parties of the entire world which, in the words of the New York Times, "endorsed every major foreign policy proposal of the Soviet Union."

In 1958 Khrushchev conceded that Yugoslavia's Communists displayed "great merit in"—as Khrushchev said—"the struggle against our common class enemies."

Madam President, Khrushchev has had a far more masterful and a far more effective approach to Tito and to Yugoslavia than Stalin ever had. There is no question of that. There was a problem of personality between two fantastically egocentric persons like Tito and Stalin. The situation is quite different now with Khrushchev, who is a far more masterful and far more effective politician than Stalin.

I should like to read very briefly from an article in *Orbis*, the title of which is "The Emerging Pattern of Yugoslav-Soviet Relations," from the winter 1962 issue, by Milorad M. Drachkovitch.

On page 444 Mr. Drachkovitch writes as follows:

The second Soviet-Yugoslav dispute flared on the occasion of the Seventh Congress of the League of the Communists of Yugoslavia (LCY), held in April 1958. Its main detonator was the program adopted by the congress.

The new dispute, however, evolved quite differently from the quarrel of 1948. While the Chinese and Albanian attacks on LCY's out-and-out revisionist program sounded like Stalin at his vitriolic best, the Soviet attitude was markedly reserved. In three of his important speeches of 1958—at the Seventh Congress of the Bulgarian Communist Party on June 3, at the Fifth Congress of the Socialist Unity Party of Germany on July 11, and while sharing the rostrum in Lenin's Central Stadium in Moscow with Vladimir Gomułka on November 10—Khrushchev outlined several guidelines in his own approach to Tito's Yugoslavia. Contrary to Stalin's all-out attack and severance of all ties with Belgrade, Khrushchev advocated the development of normal, even intensive, relations with Yugoslavia on the level of intergovernmental dealings. He expressed also a belief that "as Communists we would like to reach mutual understanding and cooperation on the party level." He conceded, significantly, that the Yugoslav Communists displayed "great merits in the struggle against our common class enemies," and he hoped that "despite the present circumstances we shall continue to wage a joint struggle against these enemies in the future as well, and shall defend peace and socialism together." At the same time, however, he declared that the "clearly schismatic and revisionist line" of Yugoslav Communists will call for a continuous "irreconcilable ideological struggle," but tempered this battle-call with the advice that "we should not devote greater attention to the Yugoslav revisionists than they actually deserve."

These ambiguities underscored once again Khrushchev's resilient policy toward his obstreperous Yugoslav comrades. He wanted to be able, simultaneously or alternately, to collaborate with them, to criticize them, to complement them, and to ignore them, retaining always the initiative in using any one of these stick-and-carrot tactics. This manifold and flexible treatment of Titoism, characteristic in general of Khrushchev's political gamesmanship, implied a maximum and minimum target. At best Tito or his successors should be lured, again and again, to reenter the bloc and renounce their claim to ideological and operational independence. In this connection leaders and members of the League of the Communists of Yugoslavia should be constantly reminded (as purposely stressed in the draft program of the CPSU submitted to its 22d congress) that it is theoretically untenable, economically harmful, and politically dangerous to attempt to build socialism and isolation from the world socialist system. At the same time these pressures and attacks should be treated as family quarrels, to be terminated if any when the prodigal sons returned to the fold. But should these tactics fail, one should keep Tito isolated while ignoring the achievements of his regime. Such quarantine tactics should, furthermore, turn Titoism from a liability into an asset. By locking the impact of Titoism on Communist Eastern Europe, its irrepressible dynamism would inevitably be turned on the non-Communist world of underdeveloped nations, thus indirectly advancing Moscow's aim of rolling back the West's political and economic stakes and strategic deployment.

Most important perhaps in this Machiavellian program, laid down in 1958 but projected well into the future, was the change in the role of the chief actor, Khrushchev himself. He was in 1958, and has been increasingly since, quite a different man from the rather ridiculous solicitor of Tito who, in May of 1955, made that absurd and abject speech at the Belgrade airport. The new Khrushchev was a post-Hungary, post-anti-party purge, post-putnik man, brimming with self-confidence and convinced that he had found not only the way to deal with

Tito, but with the whole range of problems confronting the expansion of communism.

That was the situation in 1958. Since 1958 it has been clear in the conduct of Tito, in his attitude, and in his statements, made over and over, that Khrushchev has succeeded. That success has been achieved in spite of the very large amount of aid we have given to Yugoslavia—more aid, indeed, than we have given to any other so-called neutralist country. We have given Yugoslavia more than \$2 billion in the last 12 years.

In his Labin speech on June 15, 1958, Tito, in about the most critical statement he has ever made with respect to Khrushchev, said:

It appears to us that history bestowed on us this hard road to preserve the development of socialism from degeneration.

There is no question that there are ideological differences—or personality differences, to be precise—between Tito and any master of Russia, because Tito is too great an egotist to want to submit completely to them. But about 90 or 95 percent of the time his position, on issue after issue, has been to support the Communist government in Russia, to support Khrushchev's position. Indeed, as I have indicated, in view of Khrushchev's flexibility and the wise way he has handled Tito, we can deal more effectively with Tito in the future if we indicate to him that the U.S. Congress has decided that for at least 1 year, as my amendment provides, we would cut off aid to the Communist dictator because Members of the Congress feel that we have gone far enough.

The fact is that since the second half of 1959 Yugoslavia has strengthened its political, economic, and cultural ties with other Communist countries. There has been an intensive exchange of delegations of practically every kind. There has been a very substantial increase in trade with the countries of the Warsaw bloc. All along the line there have been closer and closer connections. I expect to speak on those tomorrow. I hope I can make my remarks as brief as possible, but I hope Senators will give the subject their most thoughtful attention and recognize that since we had a vote on this question a year or so ago there have been very serious exchanges. There has been the address by Tito on September 3, 1961, at Belgrade, which was a clear indication of how Tito has lined up against us. I ask unanimous consent that excerpts from the address published in the New York Times, September 4, be printed at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ADDRESSES AT BELGRADE  
CONFERENCE

PRESIDENT TITO, YUGOSLAVIA

Perhaps we were wrong to labor for too long a time under the delusion that the most responsible statesmen of the great powers would find a way toward the peaceful solution of the problems of which I am going to speak.

It was perhaps no less mistaken to believe that small countries, and the nonaligned countries in particular, are not qualified to exert greater efforts for the solution of international problems.

There was a question as to what should be given priority: inspection or disarmament? It is necessary to reach, first of all, in principle and concretely, an agreement on general disarmament.

Perhaps the time has come to consider the possibility of convening a general world disarmament conference, as a means for moving this problem off dead center.

This, of course, does not mean to diminish the role of great nuclear powers in a field where they will continue to bear the main responsibility.

The tendency of those who continue to make a "fetish" out of control cannot be viewed otherwise than as an indication of their unwillingness or hesitation to undertake real disarmament.

First steps termed important

In the present state of profound crisis in the field of disarmament, it appears to me that real importance should be attached to the question of initial and partial measures.

These measures, of course, should not be construed as an alternative to complete disarmament.

These measures, however, provided they are really aimed at genuine disarmament, could create more favorable conditions for initiating the process of disarmament and could even contribute directly toward this process.

The first in a series of such measures could be the decision of all countries to reduce their military expenditures, coupled with an obligation to contribute and utilize part of the savings thus achieved for assistance to economically less developed countries, as this would provide at least some guarantee that such a reduction has taken place.

If this could not be done immediately, then perhaps a decision to freeze military budgets at their January 1, 1960, levels could be taken.

France has failed to comply with the resolutions of the United Nations on the discontinuance of atomic tests, but continues to carry out such tests, while the other Western powers possessing atomic armaments have not taken any resolution measures against this.

Soviet statement discussed

The matters have now reached a point where the Soviet Government has published a statement on the resumption of nuclear weapons tests. All this has alarmed the whole world to an even greater extent.

We are not surprised so much by the communique on the resumption of atomic and hydrogen weapons tests, because we could understand the reasons adduced by the Government of the U.S.S.R. We are surprised more by the fact that this was done on the day of the opening of this conference of peace.

We consider that utmost efforts should be exerted in order to bring about a resumption of negotiations on this problem.

I consider the solution of the disarmament question to be a matter of the greatest urgency because a constructive approach to this problem becomes increasingly difficult with the passing of time, particularly because of the attitude of the great powers.

The Berlin dispute, which has now been revived, has ominous overtones.

The existence of two Germanys is an actual fact today that cannot be denied. Only can a sound basis for a correct and lasting solution of the German problem be established, and in this respect it is the German people who will have to say the last word concerning their own future.

We are again on the verge of a situation fraught with the danger of war. And why? First because of the shortsighted and incomprehensible policies pursued by some powers who believe that an armed and mili-

taristic Germany will represent a factor of security in Europe.

However, the evermore intensive arming of Western Germany is bound to result in an ever greater strengthening of those reactionary and Fascist elements which have been left behind by Hitler's war machine.

Provisional settlement asked

The situation in Berlin has recently become much worse. It is necessary to talk and to negotiate on this question in order to find at least a provisional solution that would not prejudice a final settlement to be achieved later.

The road leading to a settlement of the German problem—I do not have in mind the already settled question of the Oder-Nelze border—should be sought solely in negotiations and in the elimination of those elements that are causing this question to be a potential and dangerous source of a new conflict.

It is simply unbelievable how some colonial powers cannot, or do not want to, understand the spirit of our times.

This is also clearly demonstrated by the recent French armed attack against the bombing and machinegunning of the innocent inhabitants of Bizerte, in Tunisia.

The acts of savagery committed by the Portuguese armed forces against the bare-handed populations of Angola are causing indignation throughout the world. Tens of thousands of men, women, and children have already been killed.

Racial discrimination in the Union of South Africa is a dishonor to the civilized world. The treatment of the autochthonous populations by South Africa's colonialist rulers constitutes a brutal offense against human dignity and humane principles.

U.N. acts termed ineffective

The various resolutions adopted by the United Nations as well as actions taken pursuant to these resolutions have proved ineffective so far. More severe sanctions should be applied.

The more blood is shed, the wider will be the gulf between the peoples of Algeria and France. We are all awaiting impatiently that an agreement should be reached at the negotiations between the representatives of the provisional government of the Republic of Algeria and the representatives of France.

We saw that the monstrous murder of the Prime Minister of the legitimate Congolese Government, Patrice Lumumba, and of other Congolese leaders, could not shake the people of the Congo in their determination to fight against the colonialists and the domestic mercenaries.

The best illustration of how deeply ingrained are the aspirations of the peoples to liberate themselves from all elements of colonial and semicolonial dependence is provided by the recent attempt at aggressive intervention in Cuba, where the whole people unanimously rose in arms to oppose it.

Economic groupings decried

The establishment of the Common Market in Western Europe and the recent setting up of the Organization for Economic Cooperation and Development, which is beginning to be referred to as the Atlantic Economic Community, then the establishment of the Council of Mutual Economic Assistance, the Organization of East European Countries, etc., constitute one of the greatest obstacles to closer economic relations and cooperation. The countries outside these organizations, in the first place the nonaligned countries, find themselves subjected to discrimination.

Economic cooperation among the less developed countries should be established on the broadest possible basis and should include all the nonaligned countries as well as all the other less developed countries which are ready for such cooperation.

It would be of the greatest importance if not only the nonaligned countries but all the



forces in the world which are in favor of universal economic cooperation exerted greater efforts than heretofore for the establishment of universal economic organizations in the various sectors of economic activity, both within and outside the United Nations. A world conference, at which all the most important economic questions would be considered, could facilitate a more effective approach to the solving of these problems. Perhaps the most suitable place for the convening of such a meeting would be the United Nations.

Our country has gained a very positive experience in the course of a number of years, particularly in our relations with neighboring Greece and Italy, with whom we cooperate to our mutual satisfaction.

#### *Peaceful coexistence*

On the other, there is also a theory that peaceful coexistence between blocs is possible. There is no doubt that even this, as a temporary solution in order to avoid a conflict, is better than war. But this is more like an armistice.

We are, on the whole, in agreement that certain measures of reorganization should be undertaken in order to enable the world organization to perform its functions more successfully in the future.

It is high time that the People's Republic of China should take its seat in the United Nations, for it is really absurd that a people of over 600 million should not have its representatives in that organization.

It is necessary to take concrete measures for the purpose of reorganizing the machinery of the Secretariat of the United Nations in such a manner as to provide a safeguard that the Secretary General will act within the limits of his functions.

Perhaps this could be achieved through the establishment, alongside the Secretary General, of a consultative body consisting of, say, five or more members, which would, in assisting the Secretary General, insure a proper interpretation of the recommendations and decisions of the appropriate organs of the United Nations.

#### *ARCHBISHOP MAKARIOS, CYPRUS*

Colonialism has been the cause of great human distress and suffering. In its efforts to prolong its hold upon dependent peoples colonialism is causing a continued conflict with regrettably heavy loss of life in Algeria, Tunisia, Angola, and elsewhere.

My country, like other countries represented in the conference, has emerged from a state of colonial domination after a long struggle full of sacrifice. Our hearts go out in brotherly sympathy and support to all people struggling for their liberation from colonial rule. Their struggle is our struggle and their cause our cause.

The right of self-determination of all peoples is the cornerstone of the Charter of the United Nations. Any solution which ignores the will of the people concerned cannot be a sound and lasting solution nor can it preserve peace.

In this context we should examine one of the most dangerous problems which confront us today, namely the question of Germany. I feel that any solution of the problem of Germany should not disregard the will of the German people whose right to determine freely their status and future cannot be denied.

I would like to emphasize one point, important to my mind, namely that the people of Berlin cannot be kept in a kind of concentration camp. They should be allowed freedom of movement between West and East Berlin. All arguments which are meant to justify the existence of barriers are, in my view, unfounded.

Let the Germans themselves decide through a plebiscite under the auspices of the United Nations their form and system of government and as to whether Germany

should be united or remain divided. To relieve the present dangerous tension, however, there is need for negotiations.

We were shocked to hear that the Soviet Union declared its intention to resume nuclear tests. In this connection I would also wish to place on record our concern over the carrying on of nuclear tests by France in Africa against world opinion and in disregard of the protests of the people of that continent. Efforts should be made towards general and complete disarmament in implementing the resolution adopted by the 14th session of the General Assembly of the United Nations.

This conference coming at the present juncture of world history has a dual duty to perform in these respects. First it should exert its influence towards an easing of the tension by an agreement that would restore the sense of security that has been shaken by the present crisis. To this end the conference should call for an early meeting between the heads of the two leading states in the dispute, namely President Kennedy and Mr. Khrushchev.

Second, the conference should, in an imaginative move, call for the placing of moral values first in the policies of nations. The essence of the resolutions adopted, should convey this call. In this spirit the conference should give its full moral support to the United Nations as an effective instrument of peace and freedom in the world.

#### *SIRIMAVO BANDARANAIKE, CEYLON*

I am happy to attend this great assembly not only as a representative of my country but also as a woman and a mother who can understand the thoughts and feelings of those millions of women, the mothers of this world, who are deeply concerned with the preservation of the human race.

The present crisis in Berlin must be reviewed not as a separate question but as part of the larger problem of a divided Germany and against the background of the failure of the great powers to agree on a firm peace settlement for that country.

In my view, this problem will not be solved if the governments concerned continue to insist on legal arguments of a technical kind. A spirit of compromise and conciliation should therefore be adopted by the parties directly concerned in order to arrive at a settlement of this question.

It is our view that as a first step toward creating international confidence the great powers should firmly resolve and make it known to the world that they will not resort to military engagements and will depend solely on peaceful negotiation to arrive at a solution.

The great powers must also agree to the withdrawal of all foreign armed forces from their respective sectors in Germany and to the demilitarization of Germany. The great powers must immediately get down to the task of reopening direct East-West negotiations designed to achieve a final settlement by peaceful means.

For the success of such negotiations it would be essential for the two Germanys to participate in the discussions since the future of Germany must be determined not in accordance with the cold war strategy to suit either of the great powers but in order to establish a unified state insulated as far as possible from the cold war and unaligned with either of the existing power blocs.

No lasting solution of the German problem can be found on the basis of unilateral abrogation of rights and obligations. Likewise a rigid attachment to positions formulated by mere legal technicalities cannot pave the way toward an abiding settlement.

#### *Commonwealth cited*

I would commend to this conference the statement on disarmament referred to in the final communique of the Commonwealth Prime Ministers' conference held in March

of this year. We felt at that time that an effective international agreement could be concluded on the lines indicated in that statement.

The Commonwealth Prime Ministers' statement on disarmament urged the reopening of disarmament negotiations at the earliest possible moment with the aim of completely eliminating all means of waging war.

Unfortunately disarmament negotiations have come to a standstill and, what is worse, nuclear tests have been resumed by the Soviet Union.

We should make an immediate appeal to the big powers to resume negotiations with a view to the achievement of complete and general disarmament. In my view, it would help these negotiations if a certain number of the nonaligned countries are also included in the disarmament commission.

The Office of the Secretary General of the United Nations has in recent times come in for much criticism.

In spite of the mistakes made by the Secretary General over the Congo situation last year we feel that the Secretary General should retain sole executive authority for carrying out the directives of the General Assembly, the Security Council, and the other bodies of the United Nations.

We also feel that the Office and authority of the Secretary General should be upheld and strengthened, and one of the positive ways to achieve this would be to reorganize the Security Council in such a way as to enable it to give clear directives to the Secretary General.

There is no single country in the world at this moment that looks forward to the prospect of war without dismay. I do not believe there is a single mother in the world who can bear to contemplate the possibility of her children being exposed to atomic radiation and slow and lingering deaths, if not swift annihilation.

The statesmen of the great powers, who have been placed in positions of trust and authority by millions of ordinary people who do not want war, have no right to assume that they have a mandate to precipitate a nuclear war and immense destructive power either to defend a way of life or to extend a political ideology.

Our endeavor should be to influence world opinion to such an extent that governments, however powerful, cannot regard warfare as an alternative to negotiation. Too much is at stake today to allow us the luxury of considerations of prestige and honor. When human life is involved all else is secondary.

Mr. PROXMIER. Madam President, there is every reason why we should not give aid to this Communist dictator in the future as we have in the past. It seems to me that my amendment is moderate. It is a 1-year suspension. This is the least we should do.

#### **ORDER FOR ADJOURNMENT UNTIL TOMORROW AT 11 A.M.**

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### **AUTHORIZATION FOR COMMITTEES TO MEET UNTIL NOON TOMORROW**

Mr. MANSFIELD. Madam President, I ask unanimous consent that all committees of the Senate be authorized to meet until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

# AMENDMENT OF THE FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 2996) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. SPARKMAN. Madam President, before the Senator from Kansas [Mr. CARLSON] addresses the Senate, I wish to make some brief remarks in order to get them into the Record at this point in connection with the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE].

It is much easier to support the amendment than it is to oppose it, merely on the surface of things. But there are certain points for us to consider. We ought to consider what we are trying to accomplish by some of the things we are doing.

First, let me make clear that we are not giving Yugoslavia any aid at the present time. The last aid we gave Yugoslavia was in 1961, I believe, and that was a relatively small amount.

The Senator from Wisconsin has referred to the great amount of assistance we have given Yugoslavia over the years. It is true that we have given a great deal. I believe the Senator said it was the largest amount given to any of the neutralist countries. I accept his figures. But at present we are not giving any aid to Yugoslavia, and no aid is provided in the bill now before the Senate. The question is left open. There is programmed for Yugoslavia \$10 million in development loan funds. No military or economic assistance is provided, except as authorized under Public Law 480 may be called economic assistance. I believe the amendment of the Senator from Wisconsin would not even affect that question.

Yugoslavia is a Communist nation. But we started deliberately in 1948 trying to help Yugoslavia maintain a spirit of independence.

That she has done. It is true that Khrushchev courts Yugoslavia quite frequently. He makes trips to that country. He talks to Marshal Tito, and he does what he can to gain favor with Yugoslavia. But Yugoslavia maintains her independence.

Madam President, I wonder if Senators are aware of the fact that 70 percent of Yugoslavia's trade is with the West. Only a minimal amount of trade is conducted with the Soviet Union and with the Eastern World. Seventy percent of the trade of Yugoslavia is with the West.

Not only that, but Yugoslavia is a member of many of the international organizations of which the United States is a member and Russia is not. They are organizations that Russia has boycotted. Yugoslavia is a member of the World Bank, the International Bank of Reconstruction and Development, and the International Monetary Fund. She is a member of the General Agreement on Tariffs and Trade. She is a member of the OECD. She was a member of the OEEC, which was the predecessor of the OECD.

There is additional significance to this subject. We say that a country gets power over another country by furnishing military equipment and making that country dependent upon the furnishing country for ammunition and spare parts. Yugoslavia today uses ammunition that she obtains from the United States.

I believe that the encouragement which has been given Yugoslavia, largely by the United States and to some extent by other Western powers, has had a great influence in swinging Yugoslavia more and more toward the West, and certainly in enabling that country to maintain an independent position.

Of course we are opposed to international communism and its determination to control the whole world. However, at the same time we are trying to break away countries from the stranglehold of international communism, and I believe a good job is being done in the case of Yugoslavia. I believe that the program which our country has carried on with reference toward Yugoslavia has been one of great care and caution and one that has produced results.

By the way, it is not an automatic program. It is a program which the President can control. I believe that President Truman, President Eisenhower, and President Kennedy have exercised a very wise control over the different aid programs which we have had with reference to Yugoslavia.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. The Senator from Alabama concedes, I am sure, that Yugoslavia is a dictatorship, and is a Communist dictatorship.

Mr. SPARKMAN. Yes.

Mr. PROXMIRE. The Government of Yugoslavia does suppress the liberties of its peoples and their freedoms, and permits no opposition party to exist, and no protest, and no freedom of speech, and no freedom of religion.

Mr. SPARKMAN. I am sure those statements are accurate. I do not know them of my own accord. However, I am sure that they are true. If we start on a program like that, where do we stop? The Senator from Ohio [Mr. Young] stated today that he would offer an amendment—I do not believe the Senator from Wisconsin was on the floor at the time—to prevent the giving of aid to countries which maintain dictatorships. Where does that get us with reference to countries in our own Western Hemisphere?

Mr. PROXMIRE. I would like to answer the Senator on that point.

Mr. SPARKMAN. Where are we going to draw the line? Are we going to define Franco's Spain a dictatorship, from which we will withdraw aid? Are we going to define Salazar's Portugal a dictatorship, from which we will withdraw aid? What about the Government of Turkey? What about the Government of Pakistan? What about other countries? Where are we going to draw the line? I am not saying which of these countries may be totalitarian.

Mr. PROXMIRE. Will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. I am glad the Senator permits me to make response. There is no question about Pakistan, Turkey, Portugal, and Spain. The are dictatorships.

Mr. SPARKMAN. Should we therefore withhold our aid?

Mr. PROXMIRE. The distinction is that these are not Communist dictatorships. I repeat Communist dictatorships. These are countries which are on our side. We have bases in Spain. Turkey has been one of the bravest and most effective opponents of the whole Russian operation.

I agree with the Senator from Alabama that there is no question that we would much rather deal with democracies. However, I believe we must recognize the fact that we live in a world that is imperfect. There is every reason why we must give military aid to a country like Turkey, which has become a dictatorship. However, to give aid to a Communist dictatorship, when it gives every indication that it is not moving more and more toward us, but, instead, more and more toward Khrushchev, is certainly an entirely different matter. The Belgrade speech immediately after the resumption of nuclear testing was a tragic slap at this Nation. The jailing of Djilas, because he criticized Khrushchev, and the relationships between Tito and Khrushchev are other indications of what the true situation is. The same can be said of Tito's failure to criticize the Russians when they resumed nuclear testing. All these, as I say, are indications that here is a country which is not with us.

It is a dictatorship, Madam President. There is every reason not to give it assistance.

Furthermore, while \$10 million for the economic development program may not be a big sum, it is very important symbolically, and I believe that our country should take a long, hard look at what the Senator has said about our providing ammunition to Yugoslavia. That ammunition, I take it, may involve planes and may involve the training of pilots. I understand that Tito pays for both, but what he pays is a ridiculous price, as for example, \$10,000 for a \$350,000 plane. That situation should be explored further. Of course, I recognize that my amendment cannot cover that situation. Technically this military aid is not assistance; it is strictly a sale. Nevertheless, I believe this amendment is where we can take effective action. This situation is entirely different from Pakistan and Turkey. These are countries which are our friends. They are with us. They are not democratic, but they are opposed to communism. They are ready, willing, and able to fight against it. Tito tells us as he said at Stalingrad on June 11, 1956, he will fight with communism against us.

We may need the help of Pakistan, Turkey, and the other countries mentioned by the Senator from Alabama. We could well imagine that this aid could save some American lives and treasure. The same cannot be said of Tito.

Mr. SPARKMAN. I did not intend by the question I propounded to the Sena-



tor from Wisconsin that I was advocating cutting off aid from these other countries. I recognize it is a difficult problem for us. It is difficult for us to deal with totalitarians that are, so to speak, our totalitarians. It is difficult to deal with totalitarians on the other side. That is not so much the point. The point here is that, with respect to Yugoslavia, I believe the record is clear that very definite progress has been made. Of course, Tito has said many things we do not like. So has De Gaulle. So has Adenauer. Even Macmillan, I suppose, at times has said things we did not like. However, we do not throw them aside because they make these remarks. Tito is not a member of the Warsaw Pact. Yugoslavia has maintained its independence. I believe we ought to do whatever we can to encourage its remaining independent.

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. With reference to the discussion between the Senator from Alabama and the Senator from Wisconsin, there is a very cogent and substantial difference between some of the dictator countries and the Communist countries. I know of no country that has a classic dictatorship which has for its basic and controlling philosophy world domination and world conquest. Communist countries have for their basic objective world conquest. It is not necessarily the struggle that we have against a particular type of self-imposed government which a country may have, but it is the philosophy of fighting world communism and world conquest by communism, which will give us a justification for this aid.

Mr. SPARKMAN. Yes. I made reference to that earlier in my remarks. I do not want to do that. However, are we going to surrender the entire Communist world, satellites and all? The Senator's party in 1952 offered deliverance of the satellites. They were willing to deliver them from Communist control and take them back in with us. Are we going to throw them away now? Why is this directed against Yugoslavia alone, and not against Poland also? Why pick out one country?

As I have said, we have tried, since 1948, to break away some of these independent countries from the arms of communism.

As long as there is hope of our being able to break these countries away from communism, we ought to be willing to continue to feed the fires. We are not giving them any extensive aid. It is purely within the control of the President. Three Presidents have administered the program. There was President Truman and then President Eisenhower. Now we have President Kennedy administering this program. I am sure everyone will admit that they have administered this program wisely and carefully and cautiously.

The Senator from Wisconsin has referred to the airplane incident. That was another contract, of several years ago. I am sure the Senator realizes that.

Mr. PROXMIRE. Yes, that was several years ago.

Mr. SPARKMAN. Furthermore, I am not trying to justify that plane incident. I do not know the facts. I do not know the details under which the contract was made. I do know that President Eisenhower, after he had left office, said it was a good deed and that it should be continued.

I believe President Eisenhower was careful and cautious in the administration of that program of aid to Yugoslavia, just as he was in regard to the limited amount we gave Poland. So long as hope remains that we can break such countries away, we ought to do what we can, within the bounds of reason, to assist them. I believe the President of the United States will exercise his discretion within the bounds of reason.

Mr. PROXMIRE. Madam President, will the Senator from Alabama further yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. The Senator asks: Why not cut off aid for Poland? I am for doing that. Aid for Poland is not provided in the bill. However, the bill provides for a \$10 million economic development program for Yugoslavia. If the bill contains anything for Poland, I will vote against it. I agree that we should not give aid to Communist dictatorships.

Mr. SPARKMAN. I am glad the Senator from Wisconsin makes that point clear.

Mr. PROXMIRE. I am sure the Senator would agree, when he says we do not like much of what Macmillan or De Gaulle or Adenauer says—

Mr. SPARKMAN. I said that possibly we might not like some of the things Macmillan has said. I do not recall anything specific at the moment.

Mr. PROXMIRE. Nothing which any of those men has said has aligned them more closely with Khrushchev and against the West.

Mr. SPARKMAN. Not at all; but the Senator from Wisconsin was largely pitching his claim that Tito is gravitating back to the Communist orbit upon statements which Tito has made. Many persons say things we do not like, but we cannot afford to be changing our course every time someone says something we do not like.

Mr. PROXMIRE. This has been a consistent pattern since the death of Stalin. Tito has become constantly more closely aligned with the Soviet Union. He is now so closely aligned that he is recognized as one of the leaders of the Communist movement. The fact is that a Communist dictator differs from other dictators in that he believes in world domination and dominion.

Mr. SPARKMAN. I think the record will speak for itself. As I have said, 7 percent of Yugoslavia's trade is with the West. Germany and Italy are her two most favored nations. I mean that they are the two nations with whom Yugoslavia trades the most. Yugoslavia uses the ammunition she gets from the United States. She belongs to international organizations which Russia has boycotted,

and in which Russia has denied membership to her satellites.

But Yugoslavia has shown her independence. She belongs to some of the organizations to which the United States belongs. Yugoslavia is a member of the World Bank, of which we are a member. She is a member of the International Monetary Fund, of which we are a member. Yugoslavia is a member of the OECD, in which the Senate ratified membership for the United States a little more than a year ago. Yugoslavia participates in many programs in which the West participates. She has shown her independence of the Kremlin, of Khrushchev, and of Russia, and has shown complete independence.

One thing we must remember is that it is not so much a question of whether we approve of what Tito is doing or if we approve of what Yugoslavia is doing. I think the situation is this: Yugoslavia is a nation that is neither with the West or with the Western Powers nor with Khrushchev and the Kremlin. Where had we rather that nation be? Aligned with us? Or shall we merely turn her loose and say, "Go with the other crowd"? I think that is how we ought to consider those countries. If we have a fair chance of weaning them away from communism, we ought to try to do so.

I remember when the Marshall plan was enacted. I remember the first shipments which were made under the Marshall plan. I remember the newspapers telling us about the pending elections in Italy. We were told that Italy was simply teetering on the borderline of communism. Many persons thought the elections would result in a Communist government for Italy—which, by the way, would have been the first Communist-elected government in history.

Whenever I think of communism and its terrible threat in the world, I always take comfort from remembering that no people has ever voted upon itself a Communist government. But it was believed then that Italy might become Communist. So the United States rushed shipments of Marshall plan items into Italy in order that the people might see that the United States was coming to their relief. There has never been any doubt in my mind that it was the prompt action of the United States in enacting the Marshall plan program and in making those shipments to Italy that kept Italy from going over to the Communist orbit.

A somewhat similar situation occurred in France, not so dramatic, probably not so threatening, but nearly so.

I believe it is a fact that we dared go to the help of those countries, at a time when it seemed that what we were giving would fall into Communist hands, in order to save those countries from communism. I do not believe we ought to turn any country loose to communism if that country shows a movement toward independence.

I hope Senators will read that part of page 11 of the report in which the committee treats of Yugoslavia. Mr. President, I ask unanimous consent that that part of the report be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### YUGOSLAVIA

In the past year, the committee has received a number of complaints regarding aid to Yugoslavia. In the heat of a moment, it is easy to lose sight of the purpose and significance of this aid. First of all, since the time of the break with Moscow in 1948, the United States has assisted Yugoslavia to avoid domination by the Sino-Soviet bloc. Grant military aid was halted 3 years ago. Economic aid has continued, largely in the form of development loans and sales of surplus agricultural commodities. The decision to support Yugoslavia has been taken by three Presidents and every Secretary of State who has served under them. Among other considerations, the interest of the United States is clearly served by the example of a former member of the Sino-Soviet bloc making progress while following a generally independent line.

The fact is that with foreign assistance, Yugoslavia has maintained high levels of investment and an annual growth rate of over 10 percent—higher than any Soviet bloc country. Politically, it is a Communist state following a foreign policy based on non-alignment. About 70 percent of its trade is with the West, less than one-third with the Communist bloc. Its chief trading partners are West Germany and Italy. It is a member of the International Monetary Fund and the World Bank. It has associate member status in the General Agreement on Trade and Tariffs and the OECD (having had similar status in the predecessor organization, the OEEC). About 1 year ago, Yugoslavia applied for a similar arrangement with the Council for Economic Mutual Assistance, the economic organization of the Warsaw Pact countries. This application was rejected.

Mr. PROXMIRE. Madam President, will the Senator yield one more time?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. Is it not true that Yugoslavia, under Tito, has aligned itself consistently with the Soviet Union and that Tito said at Stalingrad, on June 11, 1956:

Yugoslavia, in time of war, as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—victory over the enemies of socialism.

That statement is not comparable with statements which might be made by De Gaulle or Adenauer or Macmillan, men with whom we might disagree. This is not a question of giving aid to a country which might go Communist. Yugoslavia is already Communist. There is no more militant a Communist than Tito. There is no more ruthless a Communist than Tito, who has thrown many opponents like Djilas into jail or sent them to the firing squad. Tito has aligned himself with Khrushchev, and in recent months he has aligned himself more closely than ever with the Soviet Union.

When we talk about the Marshall plan, the Marshall plan provided aid to countries which were not Communist. That was one of the reasons why we assisted them. Certainly we cannot now argue that we are giving aid to a country that will not be Communist. It is a Communist country now; and it has come closer and closer to giving all-out support to and being dependent upon the Soviet Union. Tito has achieved a position in the Communist world which is equal in

many respects to the position of Khrushchev. Both are Communist dictators.

Madam President, under those circumstances, it seems to me it would be insane for Congress to take the taxpayers' money in order to subsidize a Communist dictatorship. To do so would be beyond my understanding.

Mr. SPARKMAN. Madam President, in connection with the remarks I have just made, I should like to read into the RECORD a section of the present law. I referred to it in my remarks, but it might be well to have the exact language in the RECORD. I shall read section 143 of the Mutual Security Act of 1954, as amended:

SEC. 143. ASSISTANCE TO YUGOSLAVIA.—In furnishing to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continue to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this act.

Madam President, I stated that I felt that the three Presidents who have administered the act have done so with great care and caution and with profitable results. The section I have read continues to be the law. It will continue to be the law whether the Proxmire amendment shall be accepted or not. The President must continue to keep careful watch over the program. I do not see how Congress could make the language much tighter and still leave any room for the President to act at all.

Mr. CARLSON. Madam President, when the Foreign Assistance Act of 1961 was before the Senate, authorizing appropriations for the aid program, I discussed a regulation on the part of the agency itself which I think is hindering it from getting the people who should be hired and used in this particular field of work.

I have particular reference to persons who are especially qualified to serve in certain countries, because of their knowledge of the language and, in many instances, because of years of experience in those countries, and because of their background.

It so happens that under the present regulations, candidates for assignment to overseas posts are required, as a prerequisite to employment in the USIA, to sign a form in which they agree to serve on a worldwide basis. In other words, one cannot apply to the USIA to serve in Turkey or in some other particular country in which he may have lived for years, with the result that he thoroughly understands the language and the people. Instead, applicants are required to agree to serve on a worldwide basis.

I have made some inquiry about this matter, and it seems to me that such a requirement tends to discourage the employment of persons who are able to serve best in specific countries. Certainly those who are assigned to overseas service should be assigned on a basis which will permit the fullest advantage

to be taken of their special training and experience and ability. However, under the present regulation, an applicant who requests service in a specific country, because of his knowledge of the language spoken there and because of his past experience or residence there, is told that he should not apply for service in a specific country or countries, and that if he does make a request for a specific assignment, he will do so at the risk of having his application rejected.

Certainly, Madam President, such a regulation is a most unfortunate one, in view of the great demand for those who have specialized knowledge about certain countries and can speak the language.

As I have already stated, Madam President, I discussed this matter somewhat a year ago, because I am convinced that a real knowledge of a specific overseas area and familiarity with the language spoken there can be invaluable to those who serve our country in those areas; and certainly I would imagine that all Federal agencies dealing with them would be anxious to secure the services of such persons, in order to assign them to the areas with which they have definite familiarity—for instance, in Africa, in Asia, and in Latin America, where such specific knowledge can be of great benefit to the agency's program. However, we find that this is not being done.

When this matter was brought before the Senate last year, I offered to Senate bill 1983 an amendment which reads as follows:

To the maximum extent feasible, officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

That amendment seemed to me at that time to be a very sensible and practical one. It was adopted, and became part of the bill which the Senate passed last year. It had been my hope that the amendment would be a directive—although it is not mandatory—to the officials affected to assign officers and employees to positions abroad in which they would have special competence, such as appropriate language and practical experience. But such has not been the case; and, instead, the old, rusty personnel policy-gate is swinging as squeakily as before.

Therefore, Madam President, it seems to me that this amendment must be made mandatory. I do not like to try to include mandatory provisions, particularly in a bill of this type. We now have a very able head of this Agency, Mr. Fowler Hamilton; and I believe he is trying to get able people to serve in it.

However, the situation which now exists there should be changed, and a correction of it should be made. Those who are employed should be very able persons who have the special qualifications, training, and experience which will enable them to render the very best service.

Therefore, Madam President, it seems to me that this Agency should, without any further action on the part of Congress, make a real effort to use such per-



sons, rather than force them to sign a statement to the effect that if they enter the USIA foreign-aid program, they will be willing to serve on a worldwide basis, rather than to serve where they are particularly well qualified.

Madam President, I hope this statement by me today will cause some thought to be given to this matter by the officials of this Agency, because I do not think all applicants for service under it should be forced to agree to serve anywhere in the world, without regard to their specialized experience and abilities.

Mr. PROXMIRE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I send to the desk an amendment to the pending measure, and ask that it be printed and lie on the table, under the rule.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. JAVITS subsequently said: Mr. President, I ask unanimous consent that the amendment just submitted by me to the Foreign Assistance Act of 1961, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, between lines 9 and 10, insert the following:

"(e) In furnishing assistance under this title, consistently with and for the purposes of section 601(b)(4) of this Act—

"(1) the Agency for International Development or any other departments and agencies designated by the President shall provide such financial and administrative assistance as may be determined by the President to be necessary from time to time in order to make effective the efforts of the Commerce Committee for the Alliance for Progress, established under the Department of Commerce on May 9, 1962;

"(2) the President is requested to call a conference to be held in 1962 for private enterprise—public cooperation for Latin American development, inviting private and governmental participation as he may deem advisable from the members of the Organization for Economic Cooperation and Development, the Organization of American States, and Japan, and to direct the appropriate departments and agencies of the Government to cooperate with the Commerce Committee for the Alliance for Progress and the United States Management Advisory Group to the Organization for Economic Cooperation and Development, established under the Department of Commerce, in the preparation and activities of such a conference; and

"(3) the President is requested to encourage private local, country, and regional projects for managerial and technical training in Latin America as well as for agricultural, industrial, and other economic purposes."

Mr. JAVITS. Mr. President, the amendment would apply to the problems of the Alliance for Progress, which is to be underlined by this measure.

I note with great interest that, as the provisions for the Alliance for Progress are written, the provisions do not tie into any private enterprise effort, yet it is axiomatic that the Alliance for Progress program will not be successful unless it does tie into a private enterprise effort.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SPARKMAN. I wonder if the Senator would read the amendment, or have the clerk read the amendment, so that we may be properly oriented.

Mr. JAVITS. I have not yet actually dispatched the amendment to the desk. I shall do so. I was about to explain it.

Mr. SPARKMAN. I must leave the Chamber for a few minutes.

Mr. JAVITS. If the Senator will bear with me, I will give him the details. Of course, I shall not call up the amendment tonight. I shall submit the amendment to the Senator for his consideration.

In deference to the requirement of the law, which is contained in section 601(b)(4) of the Act, relating to the utilization of the channels of private enterprise for the purpose of carrying out the intent of the law, I should like to provide specifically that this shall be applied to the Alliance for Progress program in three ways, all of which are to be left to the discretion of the President, so far as concerns the extent to which he will act.

First, I suggest cooperating with and making funds and staff available to—and again I emphasize, in the President's discretion—the Department of Commerce Committee on the Alliance for Progress, which is a private enterprise committee.

Second, I suggest similar cooperation with the Department of Commerce Committee on the OECD, again a private enterprise committee, in connection with a conference to be called for the purpose of stimulating private enterprise—public cooperation for Latin American development.

Third, and again within the discretion of the President, I suggest the giving of aid to the efforts to develop managerial skill in Latin America, which are being carried on by a number of private nonprofit agencies in the United States.

In other words, I propose specific ways in which our desire, as expressed in the law—that the channels of private enterprise shall be utilized so far as practicable—may be fulfilled in connection with the new program of the Alliance for Progress, by use of machinery which is immediately at hand.

I shall, of course, submit the amendment to the Senator.

Mr. SPARKMAN. I thank the Senator.

Mr. JAVITS. Mr. President, if my memory is correct, in Latin America Americans have some \$9 billion in private investment. Our export and import trade is very great, both in terms of the production we send to Latin America and the production they send to us. There is a great network of American companies and individuals engaged in

every phase of operations, both the over-sea operations of American business and the local operations of local business. There is a real problem of a burgeoning middle class and the great influence which that could have upon the path of development which we propose to follow. It seems to me there should be, in so bold a program as the Alliance for Progress—it is a bold program, and I think it is a very important program, and I want very much to see it enacted—a clear blueprint as to how we intend to proceed so as to link our private enterprise system and the indigenous private enterprise system into the total effort of the Alliance for Progress.

The other aim which I have in respect of the amendment is to tie in the problems which we have in getting the European community, which is now becoming far more prosperous, to lend a hand in respect of Latin America, both on the governmental and on the private level.

In that connection, it may be recalled by some of my colleagues that I have strongly urged a private enterprise conference, which would tie in the private and public sectors of the OECD countries in respect of our Alliance for Progress. We all know that even the amounts which are called for in the bill, large as they are, will not be adequate for the enormous push forward which is required for the economy of Latin America. Therefore, we must proceed in two ways; first, by enlisting the aid of the private enterprise systems concerned, and, second, by enlisting the aid of our allies in Europe.

It seems to me there is hardly another prospect in the world for enlisting the OECD countries—the 18 European countries plus the United States and Canada—and, through the Development Assistance Committee of the OECD, Japan as well. There is no other area in which they are more likely to be able to cooperate together fruitfully in order to put up the resources which are required for this effort in Latin America. All have common interests in this territory, which really is not virgin territory since various countries have been operating there for a long time.

The private enterprise concept is not by any means alien to the Latin American countries. It is for these reasons that I hope very much that the Senator in charge of the bill, after studying the amendment, will see fit to accept it, because actually, without in any way dictating or directing, it would encompass a practical technique for placing the whole private enterprise effort in cooperation with the government effort in the extremely important Alliance for Progress program. I hope that after submitting the amendment with my explanation to the Senate tonight, the Senator in charge of the bill will have an opportunity to study it. I shall, of course, explain it further in the hope that it may be found acceptable. It is hardly a subject that we ought to fight about. I hope it is the kind of thing that will be considered constructive and useful in the totality of the effort.

Mr. CHURCH. Mr. President, I send to the desk an amendment which I propose to offer to the pending bill, and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. CHURCH. The substance of the amendment is as follows:

(c) The President shall regularly reduce, and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate, all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy.

#### THE PURPOSE OF THE AMENDMENT

The purpose of the amendment is to require the orderly reduction and ultimate termination of further grants by the United States of military equipment and supplies to those countries, which, in the judgment of the President, are able to maintain and equip their own military forces at adequate levels of strength, without need for external help.

#### THE NEED FOR THE AMENDMENT

Under the pending bill, over \$314 million is allocated for military grants to Western Europe. This is a perpetuation of the military subsidies we continue to give these countries, which have totaled more than \$14½ billion since 1950, when the majority of the countries involved had already recovered economic capabilities sufficient to sustain their own military forces without outside aid. Most of these countries have now become so prosperous that their per capita income rivals that of some of our American States. Clearly, there is no economic basis upon which to justify our continuing subsidies to these countries. Congress stopped further substantial economic aid to these countries 8 years ago, recognizing they had fully recovered their capacity to be self-supporting. It is long past time for us to take a similar stand on military aid.

#### ARGUMENTS AGAINST THE AMENDMENT ARE WITHOUT BASIS

First. The continuing American subsidy is not furnishing these countries with an inducement to make a greater defense effort on their own.

The prosperous countries in Western Europe are not making as much an effort, in proportion to their own resources, to maintain their armed forces, as we have been making in proportion to ours. In calendar year 1961, the European NATO countries spent 5.2 percent of their GNP on defense, while the United States spent 9.8 percent of its GNP on defense. Moreover, the average yearly military expenditure of our NATO allies has fallen off from 5.9 percent in 1956 to 5.2 percent in 1961. We are making nearly twice the effort for defense, in proportion to our own wealth, as the average of our European allies in NATO. The trend in the United States is up; in Europe, it is down.

To demonstrate beyond argument the level of wealth that has now been

achieved by most of our NATO partners in Western Europe, their resultant capacity to maintain their own armed forces without American subsidy, and the lesser effort they are actually making, compared to our own, I ask unani-

mous consent to have printed at this point in the RECORD an appropriate table containing the figures for last year, 1961.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Selected economic and defense expenditures data on European NATO countries, calendar year 1961*

Country	Population in thousands, mid-1961	Gross national product <sup>1</sup>		Private consumption per capita <sup>1</sup>	Defense expenditures	
		Total (millions)	Per capita		Total (millions)	Percent of GNP
Belgium-Luxembourg.....	9,525	\$13,130	\$1,378	\$941	\$395	3.0
Denmark.....	4,675	6,120	1,309	877	170	2.6
France.....	45,980	60,440	1,314	859	4,000	6.4
Germany.....	54,070	74,545	1,379	785	3,150	4.1
Greece.....	8,405	3,425	407	297	165	4.7
Iceland.....	180	147	817	400	—	—
Italy.....	49,549	33,890	684	433	1,200	3.5
Netherlands.....	11,637	12,000	1,031	592	525	4.3
Norway.....	3,620	4,650	1,285	764	155	3.3
Portugal.....	9,196	2,510	273	205	200	8.0
Turkey.....	28,400	5,300	187	144	285	5.2
United Kingdom.....	52,800	73,590	1,394	904	5,050	6.8
Total, European NATO.....	278,037	289,747	1,042	969	15,295	5.2
United States.....	183,650	514,400	2,801	1,826	51,093	9.8

<sup>1</sup> Calendar year 1961 in 1960 market prices.

NOTE.—All data are preliminary and subject to revision.

Precise comparisons of the levels of gross national product and of defense expenditures between the European countries and the United States are not possible. The conversion into dollars has been made on the basis of official foreign exchange rates, and the purchasing power of the dollar equivalent is appreciably higher in most European countries than in the United States. Intra-European comparisons of the converted dollar figures are subject to similar limitations.

Apr. 17, 1962.

Mr. CHURCH. Second, the amendment would not affect our obligations to the NATO alliance, nor to desirable training and service liaison with our NATO allies.

The amendment does not apply to assistance in the form of training or service, but only to military equipment and supplies. It would not affect our contribution to the NATO infrastructure, but only to grants to individual countries, in NATO or elsewhere, which are able to get along very well on their own.

Third. The amendment will neither weaken nor disrupt the NATO alliance.

The language of the amendment allows the President to regularly reduce the grants-in-aid program, as orderly procedure and prior commitments will permit. Thus, there will be no disruption within the NATO alliance. In the long run, the amendment will actually strengthen the alliance by making it clear to each member that, as we intend to do our part, so we expect them to do theirs. The continuation on our part of unwarranted subsidies to rich countries, fully capable of maintaining their own military forces, can only lead, as history has so often shown, to a corruption of the alliance which will weaken it internally through the erosion of the mutual respect that comes from each member doing its share.

At a time when we are struggling to correct our own adverse balance of payments, and appealing to our NATO allies to assume a greater share of the foreign-aid burden, Congress should at least begin to close the door on further American subsidies to those self-supporting countries that have no need whatever for more American aid.

Mr. PEARSON. Mr. President, as we engage in consideration of new legislation for foreign aid, Members of this

body will be seeking objective reports of conditions in many foreign lands. I have in my possession a letter from Mr. J. A. Mull, Jr., president of the Mull Drilling Co. of Wichita, Kans., and a copy of a letter to Mr. Mull from Father Trumbull of a mission hospital in Loliondo, Tanganyika. Mr. Mull has traveled extensively through Africa, and Father Trumbull has lived and worked closely with the native people of that continent. Their letters are firsthand reports which will be useful to many persons during the consideration of this country's foreign aid programs.

I am pleased to note from committee reports that the administration and the distinguished members of the Senate Committee on Foreign Relations are placing new emphasis on long-range planning, loan-type assistance rather than outright grants, multilateral sharing of the foreign aid burden among all of the world's more prosperous non-Communist countries, greater selectivity and concentration in aid programs, the need to strengthen the private sectors of the economies of developing countries, and protection of American interests abroad against arbitrary expropriation.

I am concerned, however, with the apparent lack of planning toward eventual termination of the foreign aid program. Is foreign aid, at the rate of \$4 or \$5 billion a year, to be a permanent obligation of the American people? I firmly believe that the Marshall plan and NATO saved much of Western Europe from communism; I believe that aid to Africa, Asia, and Latin America has an excellent chance of preventing the spread of communism in those areas. The American taxpayers deserve to know, however, how long they must be expected to shore up the faltering economies of these vast areas of the world. I trust that my distinguished colleagues will



give frank replies to this question during the period of discussion ahead.

It is not enough to say, "We do not know how long the Communists will threaten the world." Surely the administration, with its immense resources of economic reporting and its many scholars in the field of economic forecasting, can give us some intelligent predictions as to the time when other non-Communist nations will be able to stand on their own economic feet. Every aid program upon which we embark should have as its goal the building of sufficient strength in the recipient country so that it can exist in national security and freedom with both political and economic independence. The rate of progress toward that goal should be of immediate concern to all of us.

As a contribution of firsthand information concerning political, economic, and social conditions in parts of Africa, I ask unanimous consent that the letters from J. A. Mull and Father Trumbull be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WICHITA, KANS.,  
April 2, 1962.

HON. JAMES B. PEARSON,  
U.S. Senate,  
Senate Office Building,  
Washington, D.C.

DEAR SIR: As a Kansas citizen, my prime interest should be worrying about imports, depletion allowance, etc.; however, I have spent considerable time in Africa over the last 4 years, and the activities there by our Government so appalls me that I wish to pass some information on to you since, generally, people from the Midwest cannot be too familiar with our foreign situation unless they have traveled extensively.

First, the countries holding colonies in Africa, or having held colonies, realize that these new countries are not capable of running themselves. Yet, starting at Suez, the U.S. Government has forced these countries into retreat and "freedom" for these people. This "freedom" is not freedom at all, but is placing the average black man under a dictatorship and forcing him to face starvation and retreat to a position of 50 years ago.

I would like to take the example of Kenya, which will obtain its so-called freedom probably this year, so that you may follow the activities as they progress. Kenya will obtain its freedom under Kenyatta, who was convicted of being the head of and creator of the Mau Mau. The Mau Mau is an organization of the Ku Klux Klan type which murdered, by the hundreds, more of its own Kikuyu tribe than it did the so-called hated whites. Second in command is Tom Mboya who, by the way, has addressed our Senators and Representatives and who has been on "Meet the Press," which seems to be the criterion of importance. Although Tom Mboya is an Oxford graduate, I fear he is not thinking of the average man in Kenya any more than Kenyatta is. Both of these men advocate expropriation of all white lands in Kenya as soon as they get their freedom. The expropriation is so accepted in Kenya that ranches in the white highlands, which would bring half a million dollars, can be purchased for \$20,000 or enough to get these people to Australia. The average white East African is third generation, whose grandfathers, after having settled and acquired the land legally, literally tore a living out of the country—very much as our early day settlers in the West had to work. These people today call themselves more "African" than the Africans in that they have done something for Africa and, need-

less to say, these whites all hate the United States. They also feel deserted by England. The reason they hate the United States is that they realize that, due to our strong financial position, we are able to force this so-called freedom on these countries.

When Mr. Mennen Williams was in Wichita, I asked him if he looked with favor on expropriation of white lands in Kenya. His answer was that there must be a redistribution of lands. Does this mean the United States condones expropriation?

Now, if expropriation was not inherently against every principle the United States should stand for, there are other reasons we should be against this. Expropriation will mean bankruptcy for these young countries. These people are entirely dependent upon outsiders. They have never been self-sustaining and will not be for a good many years. Giving them freedom will mean only national bankruptcy. The only thing that can possibly save these countries is to obtain immediate and continued outside private investments in the form of industry, etc., which can use this labor and thereby raise the living standard. Yet, apparently, condoned by the State Department, Kenyatta is going to expropriate all white lands. Now, the expropriation will momentarily help a few, but in the long pull, where is this outside investment coming from? Certainly not from me or any other conscious businessman, following an expropriation, because we have some thought of getting our money out.

Now this concerns me and every other citizen, because, down the line, as our State Department continues to "free" these countries, we will just add charity after charity to our tax rolls with no chance of these countries ever becoming self-sufficient and, more especially, the fact that the average black man will go back to slavery and starvation.

To tear down a policy is insufficient without an alternative method. The U.S. Government should, under some system, encourage and demand that these young countries not expropriate; if they need more land, let them acquire it legally and fairly and, at the same time, voice their stability in that they want outside investments and will protect the same. Thereby, these countries could become an asset to the world and in the future become self-sufficient. This approach is practical and is in effect today. In Jamaica, which is a black government, they have publicly stated they do not want American charity but, instead, American investment, and they are getting it by the millions. The same process would work in Africa.

It appears to me that America is great because of its business ability, not because of diplomacy or any other textbook approach. Business investments by Americans in Africa could save it. Yet, today an American businessman is foolish to invest outside the United States in any area, depending upon a strong American policy for protection. Cuba has created a wound that will not heal, because every businessman has lost confidence in government backing.

Recently on a TV program shown in Wichita, Kans., we saw three members of the Peace Corps in Tanganyika sitting around in a common circle with Masai natives drinking beer out of a common container. This undoubtedly was upon instructions from the State Department to mingle to the lowest extent with these natives, because these young fellows were breaking every rule of health taught to them by their teachers, mothers, and doctors. The Masai are 80 percent infected with syphilis, and have every other disease available. The pitiful part, however, is that the native did not gain respect of the American by such a procedure. You have to remember that they were raised under the British and while the British have no race prejudice, they retain their dignity and would not indulge in such a fashion and endanger their health.

What Africa needs is a practical businessman's approach to the problem. The African needs to know how to fertilize his land, how to work wood, how to cook properly, and how to care for their families in health. They do not need a young college graduate who knows nothing except how to learn. The Government keeps wondering about the fellows over 60 years of age. How about asking the successful farmer in this age category to spend 2 years to teach a tribe how to raise corn?

No one in the United States, including Mrs. Roosevelt, who has never been in Africa can possibly know and realize how primitive these people are and how they must be taken care of, almost as children. I speak here of the big majority and not of the few who have had education.

I feel that I am somewhat justified in expressing the above opinions in that I have mixed with the natives, talked with the whites, and looked at the situation from a practical standpoint. I am for the African, not the one who comes to the United States seeking dictatorial powers, but the average African. I am interested to the extent that I have an African from Kenya, his wife and three children, here in the United States at my expense, going to college. I am, through my efforts, furnishing medicine for a Catholic mission at Lollondo, Tanganyika. The medical supplies to this mission have been cut off by the government since "freedom" in January. (I am not a Catholic.) To bring you up to date on what is going on in these freed countries, I attach a letter from Father Trumbull who works in Tanganyika in a mission. This letter is self-explanatory, but most important is the last page of this letter.

Sincerely,

J. A. MULL, JR.

LOLIONDO VIA ARUSHA,  
March 7, 1962.

DEAR MR. MULL: Sister Guida, who is being swept off her feet with work these days, has asked me to write this letter for her. I am the second father living in Lollondo. I am sorry that I did not get the opportunity to meet you then (not that you were in any condition to be meeting people), but I do want to take this opportunity to thank you for your very kind interest in Sister's work and our medical problems. Sister hasn't had the opportunity to answer your last letter, but believe me, it is only because of the lack of time.

She told me that you would be interested in knowing just what our problems are and what we are trying to do to help these unfortunate Masai. It is so much easier to write to someone who has seen something of our part of the world, who has seen the wretched conditions under which the Masai live. Perhaps more than anyone else, you can certainly appreciate how inadequate are the medical facilities in Masai land. I suppose it is the sign of things to come, but just in this area around Lollondo the government has closed down three native authority dispensaries in the past year. During the same period we have assumed the responsibility of the "hospital" in Lollondo itself and opened another small dispensary to cover that area abandoned by the government. We also have the materials ready to build another. Forgive me if I sound as if I am indulging in self-praise, for my feelings at the moment are anything but that—in fact I fear they are not even Christian.

Because the Masai are proud, because they have held onto their own way of life, because they refuse to imitate the white man as the other tribes are doing, they are being punished by those in position to help them. No government official would ever admit it, and perhaps many are not even conscious that they are doing next to nothing for the Masai. It is true that the Masai do not want education. They do not want to wear shoes

and long trousers. They are not the least bit interested in Christianity, in any form. But they do suffer. Their children still contract pneumonia, malaria, and venereal disease. Their women and children do die in childbirth. The Masai may be scornful of most of our ways, but they do want to be helped with medicine.

I suppose some of my confreres would be shocked if I were to admit that we missionaries, who are working amongst the Masai, have come to look upon our vocation more from the material aspect than the spiritual. One doesn't have to be religious to recognize one's obligation to assist those in need. And one doesn't have to be a missionary to realize the graces to be gained in alleviating the suffering of these poor people whom I consider the "least of God's children."

Sister said that you would be interested in getting some pictures of our dispensaries. I am enclosing a couple of pictures in black and white. It is quite possible that you would rather have color slides, 35 mm. If such is the case, please let me know and I shall be glad to send them on to you. If I don't send them on to you my successor will. I am due to leave for the States on May 2. Speaking of this vacation, should I beget the occasion to pass through Kansas it would give me great pleasure to say Jambo.

The pictures enclosed are self-explanatory. Two of them are of Sister Guida and patients. The other is one of her companion sisters together with two Masai murrani, warriors. I am sure you must have gotten pictures of the Masai while you were in this area. Unfortunately I don't have any in color of our dispensaries nor of the hospital here in Loliondo. Sister mentioned that you were particularly interested in these. Perhaps you will remember a small dispensary on the way out from Loliondo to the area where you were camped. We have an African dresser there. In the 3 years that it has been open, it has been responsible for saving not a few lives, not to mention untold suffering alleviated. (It has also served, although on an emergency basis, several white hunters and their clients). We have two other dispensaries in the Loliondo district, much along the same lines. We would love to build a proper hospital here in Loliondo, but that will take time and much begging. These medical facilities that we try to provide, however inadequate, are nonprofit. If it were not for the generosity of friends in the States and a medical mission society in New York we could not hope to continue assisting these people.

Few people in the States would believe how destitute so many of our people are. They would not believe that infants are born into this world under conditions which would disgust many a farmer in regards to his cattle. The infant mortality rate is extremely high. Those infants who do not die at birth have a slim chance of living through all the filthy, superstitious practices of the tribal midwives. It is not unusual to see an infant of several months whose body is covered with the numerous lacerations, most of which are horribly festering. This is the pagan, superstitious way of getting rid of evil spirits. When a child cries, or is obviously sick there is only one explanation \* \* \* and only one cure. Several incisions are made on the child's body, normally in that spot where the child seems to be sick. Spilling the child's blood allows the evil spirits to depart. No medication is used on the wound, except perhaps some fresh cow dung. When a child is sick for a long time, you can imagine how many times his little body has been subjected to the filthy piece of metal that the Masai call a knife. This is only one practice that we hope to abolish by establishing more dispensaries, providing more medicines, and ultimately educating the Masai to the need of some basic sanitation.

I hadn't intended writing such a long letter, at least one which contains so little information. The end of the last paragraph left me very little room to thank you properly for your continued charity. I am sure Sister Guida will write as well to thank those individual people and organizations which have contributed so generously toward the support of our medical endeavors. I mentioned that the Government had closed down several dispensaries, and I mentioned that this may be a sign of things to come. "Uhuru," independence, is not the cure-all that many African politicians thought it would be. It is very convenient to close one's eyes to the fact that England or the United States has been keeping the country running with huge grants of money. It is amazing that this never seems to enter into the discussions concerning independence, especially since it is the most important factor after independence. Well, it is evident now that Tanganyika will be dependent for a long time to come upon those countries who have been footing the bill for decades.

All the various departments of Government seem to be grinding to a standstill. Some of this is due to the lack of interest on the part of Europeans in government who know that their time is up. Other snags are due to Africanization, i.e., placing unqualified Africans in jobs held by white men, just for Africanization's sake alone. And other difficulties are due to the lack of funds or the mismanagement of same. That is the case with the breakdown in the medical department. It is unfortunate for no one but the Masai. They seem to be the first to suffer when it comes to retrenching. If money or personnel are short, the Masai district is the first to get cut back. So that is our situation now. As government cuts down their services, we are trying to extend ours in order to provide for some 20,000 Masai and Sonjo. Our support, as I have mentioned, comes from friends like yourself.

Needless to say we are most grateful for such assistance. Our motive for being here, away from our homes and friends, is basically the same as that of our benefactors in the States. We realize that we have been blessed with many gifts—health, comfort, freedom and faith. We who have so much should feel no reluctance in sharing with those who have so little. Certainly those men who guide our country recognize this obligation. Were it not for the generosity of the United States thousands of our people would have died of starvation. For the past 7 or 8 months the Masai have been receiving famine relief food from the States. Both the Protestant and Catholic Missions have been responsible for getting this invaluable assistance. Our people have been kept alive with corn flour and dried milk. I, for one, shall always feel proud of the generosity of our Government. The Communists have their day when it comes to agitating, but, aside from a very few, the African people recognize the United States as a friend in deed and not just empty promises and slogans.

My apologies for going off on this tangent, but once again my most heartfelt thanks for your many kindnesses. Please be assured of our prayers for you and yours.

Sincerely,

FATHER TRUMBULL.

#### ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 5, 1962, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 88) authorizing the issuance of a gold medal to Bob Hope.

#### ADJOURNMENT TO 11 A.M.

##### TOMORROW

Mr. CHURCH. Mr. President, in accordance with the agreement previously entered, I move that the Senate stand in adjournment until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p.m.) the Senate adjourned, in accordance with the previous order, until tomorrow, Wednesday, June 6, 1962, at 11 o'clock a.m.

#### NOMINATIONS

Executive nominations received by the Senate June 5, 1962:

##### IN THE AIR FORCE

The following persons for appointment in the Regular Air Force in the grades indicated, under section 8284 of title 10, United States Code, with a view to designation under section 8067 of title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

*To be major, USAF (Judge Advocate)*

Maurice Y. Gibson, Jr., AO889449.

*To be major, USAF (Medical)*

Alvin M. Burner, AO2213912.

*To be captains, USAF (Judge Advocate)*

James E. Applegate, AO3104017.

Melvin G. Goodweather, AO2236159.

Anthony F. Polick, AO2096648.

Gordon E. Schleman, AO3065560.

*To be captains, USAF (Medical)*

Richard H. Ashby, AO3092141.

Walter C. Barnes, Jr., AO3079588.

Alvin L. Brekken, AO3078232.

Fredric F. Doppelt, AO3076773.

Marvin J. Gottschall, AO3111963.

William D. Hillis, AO3017109.

Ralph S. Metheny, Jr., AO3075178.

James E. Turns, AO3044248.

*To be captains, USAF (Dental)*

Gene E. Hendon, AO3088803.

George P. Torchik, AO3077775.

*To be captains, USAF (Nurse)*

Frances A. Beaton, AN2242614.

Mary L. Fertig, AN2242312.

Mary D. Johnson, AN2242669.

Jane Kidd, AN2214580.

*To be captain, USAF (Veterinary)*

Dock F. Dixon, Jr., AO2227467.

*To be first lieutenants, USAF (Judge Advocate)*

Thomas C. Alfson, AO3116136.

Donald J. Dalton, AO3103706.

Merton F. Filkins, AO3117365.

John Foray, AO3103435.

James E. Lawrence, AO3118101.

Richard R. Lee, AO3060896.

Harry N. Starbranch, AO3032516.

Albert S. Tomlinson, AO781458.

*To be first lieutenants, USAF (Medical)*

Robert M. Chapman, AO3089262.

David G. Dibbell, AO3050708.

Otis W. Jones, AO3091143.

Richard M. Ragsdale, AO3111634.

Arcadio V. Ramirez, AO3111698.

*To be first lieutenant, USAF (Dental)*

William A. Welker, AO3089307.

*To be first lieutenants, USAF (Medical Service)*

Ronald E. Cornelius, AO3089885.

William B. Moyer, AO3091233.

*To be first lieutenants, USAF (Nurse)*

Charles R. Condon, AN3075884.

Mary C. Covino, AN3077276.



Joseph A. Furfure, AN3044714.  
 Laura E. Godfrey, AN3091942.  
 William P. Hansen, AN3075957.  
 Richard O. McEwen, Sr., AN3046087.  
 Donald S. Moyer, AO3044747.  
 Olga G. Rocha, AN3089726.  
 Joseph J. Sorge, AN3110310.  
 Herbert T. Watson, AN3044624.  
 Cynthia R. Youtzy, AN3076301.

*To be first lieutenant, USAF (Veterinary)*  
 Alan E. Schwichtenberg, AO3111766.

*To be second lieutenant, USAF (Nurse)*  
 Marie E. Anderson, AN3112337.

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

*To be majors*

James D. Anderson, AO855449.  
 James M. Bernsen, AO695129.  
 Graham M. Carter, AO816993.  
 Ralph D. Crago, AO2076889.  
 Earle V. Flagg, AO821472.  
 Arthur C. Harris, AO670732.  
 Richard D. Kepner, AO568892.  
 Herman A. Perkins, AO829545.  
 William K. Rogers, AO2070873.  
 Lenton D. Roller, AO1641739.  
 Solomon H. Smith, AO937651.  
 John E. Wright, AO728147.

*To be captains*

Allan J. Abedor, AO2211225.  
 Clarence R. Anderson, AO875527.  
 Shelton J. Anthony, Jr., AO830941.  
 Franklin H. Austin, Jr., AO2209703.  
 Charles W. Balnum, AO2209651.  
 Elmer T. Brooks, AO3031382.  
 Delano R. Bryan, AO2211896.  
 William E. Carmel, AO2072643.  
 William Y. Cole, AO687929.  
 Thomas P. Davis, Jr., AO823036.  
 Billy G. Doty, AO2209942.  
 Wilfred E. Evans, AO3045775.  
 Nelson D. Flack, Jr., AO736172.  
 Bryan A. Platt, AO666266.  
 Donald G. Freeman, AO3026906.  
 Andy L. Haywood, AO2211970.  
 Thomas M. James, AO3026460.  
 Douglas C. Otto, AO3040030.  
 James E. Reid, AO2211770.  
 Phillip J. Riede, AO3026743.  
 Leopoldo V. Rodriguez, AO664661.  
 Archibald P. Samuels, AO739509.  
 Robert W. Schoenecker, AO3040575.  
 Bruce D. Strotman, AO2211826.  
 Lauren B. Wahlquist, AO2211549.  
 Francis A. Waterhouse, AO819363.  
 William H. Wert, Jr., AO927672.  
 John H. Wood, AO3019526.

*To be first lieutenants*

Thomas R. Adams, AO3071179.  
 Emmett E. Allen, Jr., AO3101360.  
 John R. Allen, Jr., AO3082340.  
 Ronald A. Anders, AO3095087.  
 Ronald M. Anderson, AO3101373.  
 Howard J. Andres, AO3094743.  
 Demetrios A. Armenakis, AO3094216.  
 Billy T. Bailey, AO3086163.  
 Billy G. Barham, AO3094833.  
 Albert M. Bassett, AO3086063.  
 Kenneth B. Beaird, AO3094207.  
 Richard F. Beattie, AO3082454.  
 Charles R. Beck, AO3095306.  
 Robert B. Benbough, AO3094951.  
 Darrell G. Bittle, AO3095065.  
 Robert A. Bivens, AO3094893.  
 Thomas M. Bohan, AO3082421.  
 Denver H. Bowman, AO3095200.  
 Lawrence G. Breyfogle, AO3095123.  
 Darrel R. Brown, AO3086704.  
 Chester C. Buckenmaier, Jr., AO3086712.  
 Joe L. Byrd, AO3095258.  
 Kenneth M. Carnahan, AO3102103.  
 Stanley B. Clack, AO3101436.  
 Daniel G. Dailey, AO3094806.  
 Gerald W. Dart, AO3094943.  
 Norman R. Davison, AO3086615.  
 Gary N. Deivert, AO3101361.  
 Edwin B. Denny, AO3095303.  
 Don Deritis, AO3094864.  
 John P. Donnelly, AO3082298.  
 Richard H. Dorwaldt, AO3094543.  
 Charles L. Dougherty, AO3085738.  
 Robert P. Dove, AO3095139.  
 Francis D. Driscoll, AO3074007.  
 Billy J. Dunnington, AO3101453.  
 William D. Dupee, AO3094873.  
 Robert Duyck, AO3095188.  
 Thomas G. Ebbert, AO3086507.  
 Joseph F. Elefritz, AO3094013.  
 Lewis B. Epps, AO3094214.  
 Olin K. Everett, AO3085571.  
 Kenneth Fisher, AO3087303.  
 Richard J. Ford, AO3086580.  
 William E. Gerber, AO3094904.  
 Dennis L. Gibson, AO3095145.  
 Benjamin F. Greer III, AO3095110.  
 Cal E. Greer, AO3095295.  
 Joseph E. Griffin, AO3094698.  
 William R. Gruetter, AO3095111.  
 James R. Guglietti, Jr., AO3093722.  
 Hanns Hagen, AO3093464.  
 Vince Halterlein, AO3095191.  
 Donald V. Harnage, AO3095173.  
 Joe R. Harris, AO3095206.  
 Richard A. Hesslink, AO3095163.  
 James R. Hickey, AO3101393.  
 Gene R. Hollrah, AO3095174.  
 William E. Horsey, AO3086554.  
 Jimmy L. Hull, AO3101220.  
 John P. Husong, AO3082464.  
 John R. Ingamells, AO3093276.  
 Richard A. Ionata, AO3082326.  
 Robert J. Jacobson, AO3101227.  
 Jerome R. Jarcy, AO3095253.  
 Richard L. Jobe, AO3094824.  
 Odell M. Johnson, AO3101231.  
 Thomas A. Johnson, AO3085688.  
 Thomas E. Johnson, AO3094820.  
 Joseph E. Jurjevich, AO3085704.  
 Edmund T. Kane, AO3082406.  
 William J. Kendrick, AO3093195.  
 John H. Kirk, AO3082422.  
 Galen R. Kirkland, AO3054674.  
 William H. Kittles, Jr., AO3101271.  
 Donald E. Knutson, AO3095165.  
 John S. Kubin, AO3095208.  
 Loren J. Kuester, AO3093725.  
 Richard M. Lade, AO3101343.  
 Roy R. Laferriere, AO3086879.  
 Theodore O. LaJeunesse, AO3094107.  
 Gerald D. Larson, AO3095170.  
 David R. Lee, AO3094762.  
 Roland E. Lee, AO3082370.  
 Robert C. Lenn, AO3087014.  
 John F. Lewis, AO3086097.  
 Clarence H. Lindsey, Jr., AO3094432.  
 Abraham M. Low, AO3081986.  
 Teddy R. Lowe, AO3094916.  
 Bradley D. Lucas, AO3095275.  
 William E. Lueckert, AO3087050.  
 Edward K. Lyons, AO3095301.  
 Everett A. Lyons III, AO3101314.  
 Lawrence B. MacArthur, AO3082431.  
 Charles W. Mathews, AO3082356.  
 Lloyd P. Mathis, AO3101294.  
 Charles K. McKnight, AO3086536.  
 Bruce E. Medley, AO3095070.  
 George D. Meserve, Jr., AO3094827.  
 George C. Metz, AO3102078.  
 Albert G. Mongeau, AO3093941.  
 Ernest F. Moore, AO3094069.  
 Victor Morats, AO3095251.  
 Samuel D. Newman, AO3094348.  
 Frederick J. Nohmer, AO3082410.  
 William M. O'Brien, AO3094892.  
 David A. Olson, AO3093637.  
 Jerry G. Parker, AO3094842.  
 William R. Platt, AO3094974.  
 Robert A. Pletcher, AO3095046.  
 Bruce M. Powell, AO3095063.  
 Harold F. Powell, AO3082335.  
 Raymond E. Powell, AO3095287.  
 Edward J. Pratt, AO3095141.  
 Michael H. Price, AO3094730.

William R. Randle, AO3086889.  
 Wyndham Rlotte, AO3093991.  
 Paul F. Roberts, AO3094289.  
 Richard R. Robertson, AO3094928.  
 Richard L. Rohlf, AO3094857.  
 Thomas T. Rosowicz, AO3094828.  
 Keith L. Rowland, AO3086861.  
 Robert D. Ruppel, AO3094747.  
 Charles E. Saucier, AO3094362.  
 Joseph J. Sauer, AO3095304.  
 John L. Schattel, AO3095213.  
 James P. Scott, AO3093003.  
 Thomas W. Scott, AO3095016.  
 Robert E. Sharp, AO3087106.  
 Edward E. Sheldon, AO3101566.  
 James L. Smith, AO3082362.  
 Robert G. Smith, AO3082510.  
 Thomas J. Smith, AO3094389.  
 William O. Smith, AO3082433.  
 Willard H. Snell, Jr., AO3069351.  
 Richard C. Spring, AO3095007.  
 David B. Stephens, AO3094819.  
 David D. Stoddard, AO3094955.  
 James P. Stoddard III, AO3101576.  
 Charles R. Stoltz, AO3095105.  
 Emerson F. Stoops, AO3073940.  
 James R. H. Stumpf, AO3093962.  
 Leonard M. Sweet, Jr., AO3094583.  
 James A. Taylor, AO3094995.  
 Michael D. Thomas, AO3094630.  
 Robert E. Thomas, AO3101582.  
 Carl W. Wachsmuth, AO3082434.  
 David B. Waddell, AO3102129.  
 Marvin Z. Walker, AO3082417.  
 Robert W. Wallace, AO3095178.  
 Robert E. Waters, AO3095256.  
 Odis G. Wehrly, AO3082349.  
 Donald L. Wertz, AO3094046.  
 Thomas W. White, Jr., AO3095134.  
 John G. Widener, AO3095254.  
 Winston Williams, AO3093990.  
 Donald J. Wise, AO3101596.  
 Dale E. Wolfe, AO3082350.  
 Phillip A. Wright, AO3094859.  
 Merrill L. Wunder, AO3095003.  
 Philip E. Zara, AO3101517.

*To be second lieutenants*

*Distinguished Aviation Cadet Graduates*  
 James E. Cavell, AO3122000.  
 Delbert A. Post, AO3122019.  
*Distinguished Officer Candidate Graduates*  
 Karel R. Dekock, AO3115744.  
 James F. Osborn, AO3120864.  
 Howard W. Pittman, AO3120878.  
*Distinguished Office Training School Graduates*  
 Chalmers K. Hamasaki, AO3121267.  
 Carl Hintze III, AO3121275.  
 Howard H. Jones II, AO3121294.  
 Edward R. Lucas, AO3121316.  
 Hans G. Martens, AO3121324.  
 Donald J. O'Connor, AO3121364.  
 Franklin C. Ordonio, AO3121366.  
 Gary E. Purvis, AO3121383.  
 Charles C. Rauschenbach, AO3121388.  
 Michael T. Schwitters, AO3121415.  
 Robert F. Swarts, AO3118329.

Subject to medical qualification and subject to designation as distinguished military graduates, the following distinguished military students of the Air Force Reserve Officers' Training Corps for appointment in the Regular Air Force, in the grade of second lieutenant, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

William H. Fabian	Richard S. Matta
James C. Clay	Charles W. McNichols
Harold A. Dombeck	III
Edward J. Dunne, Jr.	Lon D. Richards
Peter K. Foley	Joseph R. Sapere
Timothy M. Harrington, Jr.	Alfred L. Stoessell
Richard G. Hendl	Meredith W. Watts,
Franklin W. Losey	Jr.
	Harold J. Zook